

CURRENT HISTORY

A WORLD AFFAIRS JOURNAL

FEB 4 1987

FEBRUARY, 1987

AMASSADOR COLLEGE LIBRARY
~~Display Copy~~

The Middle East, 1987

The Reagan Administration and the Middle East— <i>Robert E. Hunter</i>	49
Institutionalizing the New Order in Iran— <i>Shahrugh Akhavi</i>	53
Iraq and the War with Iran— <i>Frederick W. Axelgard</i>	57
Syria and Lebanon— <i>Itamar Rabinovich</i>	61
Libya's Qaddafi: Still in Command?— <i>Lisa Anderson</i>	65
Israel's Year of Transition— <i>Bernard Reich</i>	69
Jordan's Malaise— <i>Mary C. Wilson</i>	73
Egypt: Repression and Liberalization— <i>Hamied Ansari</i>	77

Book Reviews— <i>On the Middle East</i>	81
The Month in Review— <i>Country by Country, Day by Day</i>	92
Map— <i>The Middle East</i> —Inside Back Cover	

Current History

FOUNDED IN 1914

FEBRUARY, 1987
VOLUME 86 NO. 517

Editor:

CAROL L. THOMPSON

Managing Editor:

WILLIAM W. FINAN JR.

Consulting Editors:

MARY M. ANDERBERG

VIRGINIA C. KNIGHT



Contributing Editors:

ROSS N. BERKES

University of Southern California

RICHARD BUTWELL

California State University

O. EDMUND CLUBB

U.S. Foreign Service Officer (retired)

DAVID B. H. DENOON

New York University

JOHN ERICKSON

University of Edinburgh

HANS W. GATZKE

Yale University

MARSHALL I. GOLDMAN

Wellesley College

NORMAN A. GRAEBNER

University of Virginia

KENNETH W. GRUNDY

Case Western Reserve University

OSCAR HANDLIN

Harvard University

CARL G. JACOBSEN

Stockholm International Peace
Research Institute

RICHARD H. LEACH

Duke University

RAJAN MENON

Lehigh University

NORMAN D. PALMER

University of Pennsylvania, Emeritus

JAN S. PRYBYLA

Pennsylvania State University

JOHN P. ROCHE

Fletcher School of Law and Diplomacy

A. L. ROWSE

All Souls College, Oxford, Emeritus

ALVIN Z. RUBINSTEIN

University of Pennsylvania

AARON SEGAL

University of Texas

VACLAV SMIL

University of Manitoba

RICHARD F. STAAR

Hoover Institution

RICHARD VAN ALSTYNE

University of the Pacific



President and Publisher:

DANIEL G. REDMOND JR.

Vice President:

ELBERT P. THOMPSON

Coming Next Month

MEXICO

March, 1987

The seventieth anniversary of the Mexican state is the focus of our next issue. The authors review the major issues and events of the last 70 years and how they affect Mexico in 1987. Topics include:

The United States and Mexico

by PETER SMITH, Massachusetts Institute of
Technology

Politics in Mexico

by DANIEL LEVY, State University of New York,
Albany

Mexico's Economy and the Debt Problem

by JAMES STREET, Rutgers University

Food, Population and Agrarian Reform

by SUSAN SANDERSON, The Conference Board, New
York

Education in Mexico

by KAREN KOVACS, El Colegio de Mexico

The Labor Movement in Mexico

by JEFF BORTZ, University of California, Los
Angeles

Mexico's Regional Policy

by CARLOS RICO, University of North Carolina

\$3.95 a copy • \$27.00 a year

Canada \$30.00 a year • Foreign \$30.00 a year

Please see back cover for quantity purchase rates.

NO ADVERTISING

Current History (ISSN-0011-3530) is published monthly (except June, July and August) for \$27.00 per year by Current History, Inc. Publication Office, 4225 Main Street, Philadelphia, Pa. 19127; Editorial Office, 3740 Creamery Rd., Furlong, Pa. 18925. Second class postage paid at Phila., Pa., and additional mailing offices. Postmaster: send address changes to *Current History*, 4225 Main Street, Philadelphia, Pa. 19127. Indexed in *The Reader's Guide to Periodical Literature*, *The Abridged Reader's Guide*, *ABC Polsci*, *PAIS*, *SSCI* and *America: History and Life*. Indexed on-line by *DIALOG*, *BRS* and *Information Access Magazine Index*. Microfilm: University Microfilms, Ann Arbor, Mich. No responsibility is assumed for the return of unsolicited manuscripts. Copyright © 1987 by Current History, Inc.

Current History

FEBRUARY, 1987

VOL. 86, NO. 517

This issue on the Middle East examines the domestic politics, economics and regional foreign policies of the major Middle Eastern countries. Our review of United States policy in the Middle East argues that the administration has adopted a "laissez-faire approach" toward Middle Eastern problems: "by abstaining from its expected role, the United States has neither removed itself from danger nor increased the security of its interests. Rather, it risks a progressive isolation."

The Reagan Administration and the Middle East

BY ROBERT E. HUNTER

Senior Fellow, Middle East Studies, Center for Strategic and International Studies, Georgetown University

IT may seem surprising that the Reagan administration has seldom been deeply engaged in Arab-Israeli peacemaking, and never to the degree of its recent predecessors. There are many explanations. Opportunities within the region have rarely seemed promising to policymakers in Washington. Peacemaking is time-consuming, and the peace process has often proved to be the graveyard of political ambitions.

But there is a deeper reason for United States abstention from its traditional peacemaking role: the 1979 Egyptian-Israeli peace treaty. Because it reduced the risks of major Arab-Israeli conflict and United States-Soviet confrontation, the 1979 peace treaty also seemed to reduce the Reagan administration's need to try to negotiate peace.

This complacent attitude toward the region is deceptive. Indeed, in late 1986 there were growing concerns that Syria and Israel might go to war even without Egypt. Accidental conflict could develop from a clash of Israeli and Syrian forces in Lebanon or from Syrian calculation of the benefits of challenging Israeli military primacy. The increasing sophistication of armaments tends to decrease margins for error in a part of the world characterized by short distances, a tendency toward rapid military developments, and the risk of preemption.

More critical are basic questions about the tractability of conflict. As time passes, there is less optimism

that the Arab-Israeli conflict can be resolved peacefully. A younger generation of Palestinians is even more radical than its elders. Israel's population is shifting against the belief that Israel may be able to compromise to gain legitimacy in the Middle East. Modernization, unemployment, religious fundamentalism—these factors add to doubt that a peace process can be revived at American will.

At its outset, the Reagan administration tried to look beyond the challenges of the Arab-Israeli conflict that, sooner or later, had daunted each preceding administration. Under Secretary of State Alexander Haig, the administration tried to put the Middle East in a broader context, a "strategic consensus" of regional states in alliance against a Soviet advance.

In terms of broader United States-Soviet relations, there was much to be said for this approach. After the 1973 Arab-Israeli war, Egypt's President Anwar Sadat had begun his overtures to the United States as the only country that could change the political stalemate between Egypt and Israel. Soviet influence began to shrink. By 1981, therefore, there was at least superficial logic in Haig's effort to enlist regional powers against the Soviet Union. His effort also seemed a logical corollary of the Carter—now Reagan—Doctrine,* with its focus on Moscow.

Nevertheless, the states of the region divided on "strategic consensus." For Egypt and Israel, the concept was made to order. Not only were there ideological sympathies—Egypt had broken with the Soviet Union, and Israel had long benefited from East-West polarization in the region—but both countries wanted to become part of the new United States strategic

*Editor's note: After the Soviet invasion of Afghanistan in 1979, President Carter declared that the Persian Gulf was a vital interest and that the United States would use force to protect its interest there.

preoccupation with the Persian Gulf. It was no coincidence that Egypt had cooperated in the United States effort to rescue hostages in Teheran, was prepared to provide base access to United States forces, and had joined in military exercises. Nor was it coincidence that Israel reversed its long-standing position against allowing United States forces to take part in its defense. Elements of the United States 101st Airborne Division are now serving with the multinational force in the Sinai Desert. Israel also began to press for United States declarations that it is a "strategic asset" in the region—a request honored in theory, if not much in practice, by both President Jimmy Carter and President Ronald Reagan.

Neither Jordan nor Saudi Arabia embraced the concept of strategic consensus. Both were bemused by the United States emphasis on the Soviet threat and both saw opportunities that were more consonant with their own concerns. Strategic consensus, they declared, must be an adjunct to decisive change in Israel's position in Jerusalem and the West Bank. By their lights—with Soviet power remote and United States preoccupations largely irrelevant—they were right. Thus the United States effort to fold the Middle East into a global strategic environment was stillborn.

LEBANON

The whys and wherefores of the Israeli invasion of Lebanon in 1982 will long be debated. It may be argued, however, that the United States abstention from its peacemaking role set the stage. It is true that the invasion could not have taken place without the Egyptian-Israeli peace treaty. Without that treaty, the war could easily have become a full-fledged Arab-Israeli conflict, with the risk of United States-Soviet confrontation. Yet the treaty held throughout the war and its aftermath; Egypt only symbolically withdrew its ambassador from Israel. Thus a war between Israel and a neighbor was confined, diplomatically, to the region. This was the first war since Israel's successful struggle for independence and statehood in 1947-1949 in which there was no hint of United States-Soviet confrontation. Both Washington and Moscow recognized new strategic realities, as did Damascus, which sacrificed more than 100 aircraft (without any Israeli losses) rather than engage in serious ground battle against Israel. In the aftermath of the Lebanon war, the most ignominious episode in the Reagan administration's policy toward the Middle East began. United States forces were introduced into Lebanon on two separate occasions. Their first mission went smoothly—to facilitate the removal of Palestine Liberation Organization (PLO) fighters from Beirut. The second mission was more complex and was undertaken under tense conditions following massacres in the Sabra and Shatila Palestinian refugee camps by Christian Phalangist forces.

For reasons that had less to do with strategic interests than with political habit, the United States undertook to help bring about the withdrawal of Israeli and Syrian forces from Lebanon and to help Lebanon recover. In retrospect, it is debatable whether it was within the capacity of the United States to achieve either goal. Syria and Israel each had its own agenda in Lebanon; neither included total withdrawal from Lebanon, whether for reasons of political influence (Syria) or security (Israel). And helping to resolve what was, indeed, a civil war in Lebanon would have required a degree of knowledge, subtlety, diplomatic skill and political commitment lacking in the Reagan administration.

In the event, United States diplomatic blunders compounded the problem. On May 17, 1983, Lebanon and Israel signed an agreement under United States auspices providing for the withdrawal of Israeli forces and a limited form of political relationship between the two countries. Yet Israel retained significant rights with regard to security that—predictably—permitted the Syrian government of Hafez Assad to claim that Israel was not actually leaving Lebanon. Assad thus refused to budge, confounding the naive expectations of the Reagan administration that the May 17 agreement would lead to a parallel arrangement between Lebanon and Syria. Too much time had been lost (during which Syria had been heavily rearmed by the Soviet Union), and a two-stage United States approach to Israeli and Syrian agreement with Lebanon squandered any bargaining leverage.

United States efforts to help Lebanon politically were doomed by American failure to press Lebanon's Maronite Christian President, Amin Gemayel, to move rapidly to broaden the confessional basis of Lebanese political power in the face of demographic change that favored the Shiite Muslim community. Gemayel was an accidental President, who took over after the assassination of his more dynamic but more controversial brother. He was unable or unwilling to give up the Maronite dream of retaining primacy throughout Lebanon. The United States presence came to be viewed as support for Gemayel's vision.

The upshot of ill-conceived and half-hearted United States diplomacy was the transformation of the United States force (part of the multilateral peacekeeping force with France, Italy, and token British units) into a target for political activists of many confessions and persuasions. In October, 1983, the United States Marine barracks at the Beirut International Airport was attacked by terrorists, and 241 Americans were killed. What had begun as a mission designed to promote peaceful interests in Lebanon had turned to tragedy.

In the wake of the bombing, President Reagan declared Lebanon to be a United States vital interest and a key to the future of the Middle East. But the

facts did not square with the pronouncement, and in February, 1984, the United States withdrew. In the process of disengaging, the United States undertook its first active military actions against Arabs—a fact not ignored throughout the region. In the end, United States involvement left Lebanon even less able to tend to its political future, ceded primacy to Syria, and saw Lebanon become the locus for further terrorism against Americans. Good intentions had not been matched with diplomatic commitment.

THE PEACE PROCESS DOWNGRADED

It was hardly surprising that the Reagan administration lost what remained of its interest in Arab-Israeli peacemaking. In September, 1982, in the midst of diplomatic disarray in Lebanon, President Reagan enunciated the plan for peace that bears his name. He was trying to preserve United Nations Security Council Resolution 242—with its basic implication that Israel should trade territory for peace—as well as the Camp David accords, which had been designed to make final choices about the West Bank and Gaza contingent on a political process involving both Israelis and Palestinians. The Reagan plan went further, by pointing to some conclusions required in any experiment with autonomy in the occupied territories. In effect, Israel was to cede some territory, but would not return to the boundaries of 1967. There would be no independent Palestinian state, but there would be a critical role for Jordan.

The Reagan plan was promptly rejected by both the PLO and the Israeli government of Prime Minister Menachem Begin. By the time that United States forces were withdrawn from Lebanon a year and a half later, the chance that the United States would take the lead in Arab-Israeli peacemaking had plummeted to zero. Secretary of State George Shultz had been particularly bruised by American efforts in Lebanon.

Washington was hardly more interested in playing an instrumental role in a peace process when, in February, 1985, PLO chairman Yasir Arafat agreed with Jordan's King Hussein on a joint approach to Israel. Hussein was given authority to explore the possibility of some agreement on the West Bank with a delegation including non-PLO Palestinians acceptable to Arafat. For its part, the Israeli government of Prime Minister Shimon Peres showed interest, to the point of receiving names of potential Palestinian delegates, relayed through the United States government. But these Palestinians proved unacceptable to Israel, and the fledgling peace effort slowly ground to a halt.

It may be debated whether this effort had a chance or whether, as he so often did in the past, Arafat was "taking one step forward, two steps back." Certainly, the Reagan administration did not play a central, creative or committed role. Its reasoning was simple:

it is easy to begin a process but difficult to proceed; and a failed effort would be less useful than a delay until more promising conditions prevailed.

Experience in the 1970's indicated that two ingredients are needed for movement in the Arab-Israeli peace process: a desire by Israel and at least one Arab partner to act, and the participation of the United States government, up to and including the United States President. In the year-long Arafat-Hussein-Peres minuet, the first ingredient may not have been present; the second was clearly absent. It remains to be seen whether the implicit calculations of the Reagan administration are correct: that the risks of war are small; the chances for movement are poor with the new government of Likud Prime Minister Yitzhak Shamir; and no Arab partner is willing to take a decisive step toward Israel.

TERRORISM

Beginning with the United States debacle in Lebanon, the attention of the Reagan administration was attracted by a relatively new phenomenon in the Middle East: terrorism systematically directed against Americans. In fact, this phenomenon first emerged with full force during the Iranian hostage crisis of 1979–1981. At that time, those who occupied the American embassy in Teheran, many of whom had lived in the United States, tried to influence United States policy by manipulating American opinion. The medium—television—became the message, as America was "held hostage" for 444 days.

The attack on the United States Marine barracks in Lebanon plus other bombings, including two at the United States embassy in Beirut, were extensions of this terrorism; but the method came into its own with its application to United States civilians, especially in 1985. Television coverage of the hijacking of TWA flight 847 to Beirut and the murder of a young U.S. Navy frogman showed how refined the manipulation had become.

In this incident, the drama of United States hostages held in Lebanon paralyzed the United States government for 17 days. Then the crisis was resolved, in effect, when the United States helped to give the terrorists what they wanted—Shiite prisoners held in Israel. President Reagan also settled for the release of the hijacked passengers, but not several other Americans taken prisoner in Lebanon on other occasions. For essentially domestic reasons, the Reagan administration denied that a deal had been made, but no one outside the United States had any doubts that a precedent had been set.

To be sure, President Reagan faced a difficult calculation. He could adopt an all-or-nothing position that would risk the further paralysis of the United States government because of national preoccupation—and also risk a political fate like President

Carter's. Or he could elect to end the crisis. He chose the latter course, while asserting that he had succeeded with the former.

This posture exemplified a major dilemma. The United States cannot protect all Americans abroad, nor can it deal successfully with all instances of Middle East-born terrorism. Indeed, for the United States terrorism has been basically a domestic issue, reflecting both the role of television and the national concern with individual victims. Yet in 1985, only 39 Americans were killed by international terrorism: an outrage, to be sure, but minuscule in comparison with random death by violence in the United States. In the summer of 1986, many Americans refused to travel to Europe because of the risk of terrorism. Yet the risks of being killed in the United States were far greater.

The United States government's dilemma deepened as the number of terrorist incidents against Americans increased and with them the fascination of the United States media (as with the hijacking of the cruise ship *Achille Lauro* and the murder of Leon Klinghofer). Terror gained added stimulus as the "poor man's atom bomb." The fall in oil prices, the end of visible Arab-Israeli peacemaking efforts, and the rise of frustration in the Middle East did not so much produce terrorists as provide popular support for and protection of their grisly business.

President Reagan and his administration were caught in their own rhetoric; they believed it was important not to appear impotent, as had seemed to be the case of the Carter administration. Thus neither the President nor his senior officials were prepared to put terrorism in perspective—an evil, but not crippling in terms of numbers—nor were they able to begin to do something about its causes. This would mean becoming reengaged, if only economically, with the morass called Lebanon, and taking a lead in Arab-Israeli peacemaking. Neither road promised the quick results apparently demanded by the American public. In fact, hopes for peace could lead to an increase in terrorism: witness terrorist attacks designed to destroy the Arafat-Hussein-Peres effort in 1985.

United States military action against individual terrorist groups, it rapidly became clear, was not easy, because terrorists would not advertise their presence in the general population. This was the main reason that the Reagan administration singled out Libya and Colonel Muammar Qaddafi for isolation and punishment. No doubt Qaddafi had earned both. But, as has become clear, he is by no means the most important state supporter of terrorism. That dubious distinction belongs to Syria's Hafez Assad.

United States efforts against Qaddafi had a quality of choice by the process of elimination. States, which cannot move or hide, are easier to oppose than groups or individuals. Libya was the logical choice. Qaddafi

the revolutionary has gloried in his reputation as a terrorist and has regularly tried to portray himself as David to America's Goliath. By contrast, Syria's Hafez Assad has tried to play a statesman's role and thus to hide his country's role in terrorism.

Libya was also physically accessible to military action, barely able to shoot back, only loosely tied to the Soviet Union, and of no benefit to the United States. Syria—or, for that matter, Iran and Iraq—presented a different picture. Syria can shoot back; it is a key Soviet ally with many Soviet personnel in the country; and the United States has sought productive relations with Syria for the conduct of other diplomatic business. This included help to free United States hostages, to stabilize Lebanon, and—perhaps someday—to enter an Arab-Israeli peace process.

The United States attack on Libya in April, 1986, was thus less about trying to end terrorism than about assuring the American people that something was being done. The merit of crafting a policy on Libya and terrorism that met domestic demands for action, tailored to the limits of public acceptance for military action, will be long debated. There was certainly a direct cost from the April attack: virtually all European opinion was alienated. To be sure, Americans felt the European allies had responded inadequately to terrorism, especially Libyan terrorism. And allied cooperation had increased after the Libyan raid. But the United States government continued to be criticized by European governments for running risks—to Europeans—through military action that would be unlikely to reduce terrorism, for choosing a lesser perpetrator, and for failing either to put the terror problem in perspective or to deal with at least some of the causes of terrorism—most important, the Arab-Israeli conflict. The United States government and media, meanwhile, castigated the allies for taking a less resolute stance on terrorism. Britain was spared criticism, because only Britain let the United States use its military bases during the attack on Libya.

The Reagan administration's efforts to avoid choice or a difficult diplomatic commitment on the issue of terrorism came unstuck in late 1986. Washington had been trying to induce Iran to help gain the release of hostages left behind in Lebanon after the hijacking of TWA flight 847. Iran was known to have ties to terrorist groups in Lebanon. It was also believed to have helped to resolve the hijacking crisis. Thus the administration was tempted to seek the release of American

(Continued on page 89)

Robert E. Hunter is senior fellow in Middle East Studies at the Georgetown University Center for Strategic and International Studies. During the administration of President Jimmy Carter, he served as director of Middle East affairs (1979–1981) at the National Security Council.

"The survival of the Republic of Iran for eight years is something of a surprise to outside observers, to the expatriate opposition and even, one guesses, to members of the regime."

Institutionalizing the New Order in Iran

BY SHAHROUGH AKHAVI

Professor of Political Science, University of South Carolina

THE Islamic Republic of Iran (IRI) faced significant unrest in 1986. The war with Iraq is perhaps the most unsettling issue. Looming like a shadow across the landscape, the war has caused or aggravated major problems in Iran's economy, society and political system. Because the country's leader, Ayatollah Ruhollah Khomeini, has an enormous personal stake in this war, however, none dare to criticize its continuation openly. There have also been disputes between factions actively struggling to defeat their rivals. Issues include the land question, property ownership, the succession to Khomeini, and conflicts within the revolutionary guards and between them and the regular army.

Given such troublesome problems, the political system is apparently faced with great instability. Yet the regime has been able to hold onto power, primarily because of the opposition's fragmentation. Most government opponents have fled the country and have taken up residence in West Europe or the United States, where they have been totally ineffective in their actions against the Khomeini regime.

The internal opposition seems to consist of several different groups. There are elements of the guerrilla Mujahideen-i Khalq, who are few in number and unable to mount any significant challenges to the government. There are individual high-ranking clergymen, whose dissent has been countered by physical abuse, incarceration or house arrest. Elements of the professional and commercial middle class express their opposition in the Freedom Movement, led by the first Prime Minister of the IRI, Mehdi Bazargan. The Freedom Movement, however, remains loyal to the idea of the Islamic Republic, expressing its opposition to policies, not to the system. Regime forces have overrun Sunnite Kurds in the west and northwest. Most of the Communists have been forced underground and appear to be too dispersed to have much importance.

Within the regime, however, an opposition has rallied around the question of property rights. It has roundly criticized the government of Prime Minister Mir Hussein Moussavi, who originally came to office in 1981 and who received enough votes in Parliament in the fall of 1985 to form another government. This opposition has its proponents in Parliament, in the

Cabinet, and in various religious bodies, like the Council of Guardians of the Constitution, a special judicial body empowered to veto parliamentary enactments it finds to be inimical to religious doctrines.

Moussavi, the founder of the militantly fundamentalist newspaper *Jomhoori Islami*, has been a consistent advocate of state intervention in the economy, the expropriation of wealth and a hard-line confrontation with expatriates. Among his allies in the clergy have been the President of the Republic, Hojatolislam Khomeini; the chief justice of the Supreme Court, Ayatollah Abdolkarim Moussavi Ardebili, and the state prosecutor-general, Hojatolislam Moussavi Khoeniha.

Of course, Ayatollah Khomeini sits athwart this political structure. He is constitutionally empowered to exercise supreme authority in Iran. Moreover, his charisma has been the key to the regime's ability to consolidate its power over the past eight years. The survival of the Republic of Iran for eight years is something of a surprise to outside observers, to the expatriate opposition and even, one guesses, to members of the regime.

The regime has successfully passed several milestones since its seizure of power in February, 1979. These have included two referenda in 1979 on the nature of the political system and on the draft constitution; presidential elections in 1980 and 1985, respectively; parliamentary elections in 1980 and 1984; the formal selection in 1985 of Ayatollah Hussein Ali Montazeri as Khomeini's successor; and a reign of terror from 1981 to 1983 against the regime's internal enemies that effectively reduced the opposition to helplessness.

Meanwhile, extensive purges were carried out in the army, in the school and university systems, and in some of the departments of government (although the Ministries of Justice and Commerce proved significantly more resistant because of the entrenched power of conservative elements there). Additionally, new institutions were created, like the Revolutionary Guards—including the creation of a ministry for them—and the Council of Guardians, along with a string of other judicial bodies. All these have been integrated into the state, although it is still too early to tell how successfully.

The major breakthroughs of this revolution have

apparently been cultural. It would be difficult to characterize the Iranian revolution as a social or economic revolution, because the major questions on a social or economic revolutionary agenda have not been resolved: land, banking, trade, workers' councils, planning. On the other hand, the changes on the cultural level are very striking.

The regime uses the term *vilayat-i faqih* (rule by the supreme jurisconsult) to characterize the new order. Power remains centralized, as it was under Shah Mohammed Riza Pahlavi. And the capitalist structure of the economy has been retained intact. But Islamic values and norms are at least verbally championed under the new order, so that clergymen cum judges have the decisive word, as opposed to the Shah and his military-based but technocratic managerial elite. The penal code has been recast to reflect Islamic norms of testimony, culpability and punishment. Entire faculties at the university level have been left in limbo because their personnel are suspected of engaging in seditious (that is, "non-Islamic") thought and, by extension, behavior.

Clergymen have become power brokers at the local level in the name of implementing Shiite Islamic standards of commerce, government and social relations. Women and men are under constraints of dressing and behaving according to an "Islamic" standard of which the judges claim to be the only authority.

This emphasis on cultural issues is not to say that no changes have occurred in political and economic matters. For example, the government is rooted in outright clericalism—executive rule by the clergy. This is unprecedented. The elite in Iran has changed. But the structure of power has not. Even though the Shah's autocracy was a major target of the revolutionaries' fury, in Iran the principle and the practice of autocracy continue to be honored. Similar considerations apply in the economic realm. A large public sector has been established in industry and banking, for example. But Iran's economy is in effect state capitalism. The top echelons of the apparatus of the state do not own the means of production and hence cannot legally appropriate the surplus for their own private aims. Yet they assuredly control the means of production and in that sense can build bureaucratic fiefdoms based on personal rule. In revolutionary third world settings, the public sector has often been a milch cow for its high-ranking functionaries, as the case of Gamal Abdel Nasser's Egypt shows. There is nothing to suggest that public sector functionaries in Iran are

behaving differently as they build their fiefdoms.

DOMESTIC POLITICS

Although the Western media indicate that Khomeini's supporters are united, in fact significant elite factionalism exists. Khomeini seems to temper these conflicts by refusing to adopt clear-cut positions favoring one or another faction. For example, in an unprecedented action in October, 1985, he strongly urged the members of Parliament to give a vote of confidence to the incumbent Prime Minister, an individual well-known for his insistence on the need to expropriate property from those alleged to have too much wealth and for his demand that the state play the key role in the economy.¹ However, Khomeini has also recently warned the government of this same Prime Minister that it had better allow members of the nation's bazaar class (that is, the traditional middle class merchants and salesmen) to have an important voice in the economy.²

Khomeini's reluctance to appear to support one side or another in conflicts among the elite does not mean that he has no preferences on major public policy issues like land and trade. It is likely that he favors more radical economic policies but is afraid that conservatives seeking to minimize the role of the state are too entrenched to be confronted directly—even if he were to give his blessing to such a confrontation.

One indication of the cleavage between radicals and conservatives within the regime is the vote of confidence sought by the Prime Minister in the fall of 1985. Even with Khomeini's intervention, Parliament, consisting of 270 deputies, withheld 99 votes from Mousavi (73 voted nay and 26 abstained). Another indication is the running battle between the state prosecutor-general and the chief justice of the Supreme Court, on the one hand, and Khomeini's successor-designate, Montazeri, on the other, over the regime's approach to Iranian expatriates. Montazeri wants the government to urge these expatriates to return because the country desperately needs skilled cadres and professionals; but his rivals have indirectly ridiculed him by referring to the expatriates as traitors who must be barred from returning at all costs.³

Factionalism within the elite has been pronounced enough to lead government officials belatedly to acknowledge its existence. After months of denying differences within the elite, even Khomeini has admitted the activities of two "wings" within the leadership. And the Speaker of the Parliament explained that Khomeini expected the wings to be critical of one another but would not tolerate criticism if it weakened either wing.⁴

Iran's President and Prime Minister are both advocates of a more radical economic policy; the conservative elements are more entrenched in the nation's legislative and judicial branches. Although he tries to

¹*Nihzat* (Paris), no. 128 (October 10, 1985), pp. 1, 2.

²*Iran Times* (Washington, D.C.), June 13, 1986, pp. 1, 14. All references to *Iran Times* are to Persian language articles, except footnote 5.

³*Iran Times*, July 4, 1986, pp. 1, 12; and *ibid.*, August 15, 1986, pp. 1, 14.

⁴*Iran Times*, June 20, 1986, p. 2.

avoid taking sides, the Speaker of the Parliament probably prefers the conservative position, as do members of the Council of Guardians, like the Ayatollahs Khazali, Imami Kashani and Muhammadi Gilani.

BLURRED DIVISIONS

Politically, factional cleavages are somewhat blurred. Some of Iran's leaders prefer to emphasize a strong revolutionary commitment that would prevent the routinization of state power. These individuals do not want the clergy's experiment in Islamic government to fail. Rather, they are saying that the institutionalization of power may lead to abuses of that power. In short, they are opposed to bureaucratization. Yet they are not exactly sure how to maintain revolutionary zeal. This group includes Khomeini and Montazeri; some of the country's leading Friday mosque prayer leaders and elements of the nation's Society of Militant Clergymen also belong in this group. To be more militant on revolutionary zeal does not mean favoring widespread purges, however. While no doubt some of those in this group would prefer a "permanent purge," others, like Montazeri, openly advocate moderation in the pursuit of revolutionary purity.

Not in diametric opposition to this group but emphasizing greater state centralization of power are the President, the Prime Minister, the Speaker of the Parliament, the chief justice of the Supreme Court, and other officials. This group does not oppose revolutionary dynamism, but it prefers to consolidate the power of the institutions of the revolutionary state. Members of this faction are not overly concerned about routinization and bureaucratization, problems that bedevil any revolutionary movement after the seizure of power.

It is instructive to note that some who may be factional rivals on economic policy may be political partners. Thus most members of the Council of Guardians are economic conservatives, opposed to President Khomeini's and Prime Minister Mousavi's projects for the nationalization of trade. Yet they agree with the President and the Prime Minister on the need for the further institutionalization of state power. They favor the merging of revolutionary institutions, like the revolutionary committees that proliferated at the beginning of the revolution, into the Ministry of Interior; or the merging of the courts into the Ministry of Justice.

Socially, it could be argued that Iran's clergy are united. There is hardly any disagreement on the need for maintaining "Islamic" norms of social relations, legality, ethics, education and relations between the sexes. The unity of the clergy over cultural issues leads many observers to call the Iranian events above all a

cultural revolution. It also explains why outside observers sometimes ascribe to the leadership a monolithic pattern of thought and conduct in the political and economic spheres. But unity on cultural matters does not automatically translate into unity on political and economic issues.

THE ECONOMY

Oil is the lifeblood of the Iranian economy. Ironically, the regime promised that it would cut its dependence on international markets for the sale of oil as the overwhelming source of foreign exchange. Yet its dependence is perhaps greater now than it was in the period of the monarchy. Over the eight years since the seizure of power, the government has been unable to sell as much oil as it wanted for the purpose of continuing the war with Iraq, implementing development plans, and providing a cushion for its constituency—the urban poor and the lower middle class—as a hedge against difficult times. For example, the regime provides its supporters with ration cards, urban services, employment and the like, all of which must somehow be financed.

When the regime came to power, the oil market was far more favorable, and for three years oil prices remained high. However, since 1983 the oil market has become much "softer," and the price per barrel has plummeted from its high in 1979 of around \$34 (even \$40 on the spot market) to the current price of about \$14. Worse, from Teheran's perspective, the quantities Iran has been able to sell have dropped sharply. Recent Iraqi air strikes against Iran's main oil terminal at Kharg Island have temporarily destroyed some of its jetties. In September and October, 1986, Iraqi oil strikes caused the greatest damage thus far in the war, and the regime has been unable to repair the damage as quickly as it did in the past. Credible Middle East sources put the daily level of sales in September and October, 1986, at 700,000–800,000 barrels per day.⁵ This is a far cry from the levels of 1979–1982. It is unclear how much longer the regime can continue its operations against the Iraqis and still provide its constituency with a financial cushion.

The satisfaction of the urban poor and lower middle class social base of support for the regime will hinge, to be sure, on perceptions of equality and inequality. In 1986, the regime released figures on income distribution that indicate it is not making much headway in its efforts to equalize class differences. These figures show that the top 20 percent of the population is receiving 50 percent of the national income.⁶ In terms of income distribution, Iran does not measure up well to some countries routinely condemned by Iranian officials. For example, in the United States, the top fifth of the population receives 39.9 percent of the national income; in the United King-

⁵*Iran Times*, October 10, 1986, p. 1E.

⁶*Iran Times*, April 25, 1986, pp. 1, 14.

dom, 39.7 percent; in Canada, 40 percent; in Israel, 39.9 percent; and in Egypt, 48 percent.⁷

Economic performance may also be measured by such indicators as capital-output ratios, gross fixed domestic capital formation, plant capacity, employment, inflation, growth in gross national product (GNP), the ratio of actual allocations to the planned allocations in the development plan, rates of domestic savings, and balance of payments. Because the regime is very secretive about these statistics, one must rely on scattered newspaper accounts and sources that are often not current. Granted that one cannot be precise, it is the general impression that the regime has serious economic problems.

Statements from regime leaders attesting to economic growth are rare. World Bank figures show that between 1973 and 1983, the country had an average yearly negative rate of exports of about 17 percent and an average positive rate of imports of about 3.5 percent. In short, this represents a significant deterioration in the terms of trade, although obviously not all of this is due to the policies of the Islamic Republic of Iran because the figures overlap the period of the monarchy and the republic.⁸

Iran's merchandise export trade is demonstrably oriented toward the Western industrial economies—66 percent in 1983, virtually unchanged from 1965, when it stood at 67 percent. Other third world countries represented another 34 percent of Iran's merchandise export trade in 1983, up from 28 percent in 1965. On the other hand, merchandise exports to East European nonmarket economies represent less than 1 percent of total IRI exports, down from 3 percent in 1965.⁹

The last year for which total reserves (less gold) were reported was 1982, when the figure was \$5.7 billion (in 1981, it had stood at \$1.6 billion; in 1979, at \$15.2 billion). Gold reserves were reported for the last time at the end of the first quarter of 1983, and their value was \$5.9 billion (as compared to \$3.9 billion in 1979).¹⁰ Given Iran's poor performance in export trade, plus the likelihood of high import bills, these reserves are undoubtedly being drawn down at a significant rate.

The Iraqi attacks on Iranian oil terminals have

⁷World Bank, *World Development Report 1985* (Washington, D.C., 1985), pp. 228–229. The years for which these figures are relevant are, respectively, 1980, 1979, 1981, 1979–1980 and 1974.

⁸*Ibid.*, p. 191.

⁹*Ibid.*, p. 197.

¹⁰International Monetary Fund (IMF), *International Financial Statistics*, vol. 39, no. 9 (Washington, D.C., September, 1986), p. 268.

¹¹*Ibid.*, p. 268.

¹²World Bank, *op. cit.*, p. 225.

¹³Rouhollah K. Ramazani, "Iran: Burying the Hatchet," *Foreign Policy*, Fall, 1985, p. 61.

drastically cut the flow of petroleum exports. And the war continues to drain the country's badly needed revenues generated by merchandise export trade and whatever tax revenues the regime succeeds in collecting. The regime has not received significant external loans, either, although in 1983 it obtained a modest \$139 million from OPEC (Organization of Petroleum Exporting Countries).

Official Iranian data show that the wholesale price index climbed from 100 in its base period of 1980 to 181 in 1985. The consumer price index increased at a steeper rate, from 100 in 1980 to 207 in 1985. Wages rose from a base of 100 in the earlier year to 180, lagging behind the consumer price index.¹¹

PROSPECTS FOR THE FUTURE

The succession to Khomeini and the Iran–Iraq war are the major features of Iran's future agenda. The war has apparently been fought in three phases. September, 1980–May, 1982, was a period of Iraqi advances into the oil-producing province of Iran, although Iraqi forces could not seize the oil facilities and were prevented from making a major breakthrough. May, 1982–spring, 1984, was a period of Iranian counter-offensive that took the war into Iraqi territory. However, this period also saw the development of a "tanker war," primarily Iraqi attacks on maritime traffic to and from Iran in the northern Persian Gulf region. In addition, the two sides exchanged rocket fire on civilian-inhabited areas. Since the spring of 1984, neither side has made much headway, although the Iranians have seized the Faw Peninsula in extreme southeast Iraq. Throughout the war, minor breakthroughs at various points along the long international frontier have been claimed by both Iran and Iraq.

The immense cost of the war for Iran has been brought home by estimates of cumulative damages of \$150 billion. Although Iran officially claims that only 10 percent of the central government expenditures are allocated to national defense every year (the latest year for which data were provided was 1982),¹² this is a hardly credible figure. One recent estimate of the war's annual cost has put the absolute figure at \$5 billion and its share of total central government expenditures at 33 percent.¹³

Despite these staggering figures, Khomeini's char-

(Continued on page 83)

Shahrouh Akhavi is the editor of the Middle East series published by the State University of New York Press, and book review editor of *Iranian Studies*, the journal of the Society for Iranian Studies. He is the author of *Religion and Politics in Contemporary Iran: Clergy-State Relations in the Pahlavi Period* (Albany: State University of New York Press, 1980), and articles and essays on Egyptian and Iranian politics.

"A decisive victory by Iran would amount to the most disastrous setback to Western interests in the Middle East since the end of World War II. . . . In the face of such dire prospects, however, it is suggested that while Iraq now faces perhaps the greatest challenge of the war, it does not appear to be in danger of imminent collapse."

Iraq and the War with Iran

BY FREDERICK W. AXELGARD

Fellow in Middle East Studies, Center for Strategic and International Studies, Georgetown University

THE astounding revelation of American arms sales to Iran (and its domestic and international aftermath) provided a fitting capstone to 1986—a year of highly unsettling surprises in the Iran–Iraq war, most of which seemed to go against Iraq. But the frenzy surrounding the “Irangate” crisis should not be allowed to obscure two basic points. First, unpredictability has been the hallmark of this war. Such sharp twists and turns persist into this, the seventh year of the conflict, that one is hesitant to ascribe permanence to any trend. Second, Iraq has in the past proved its feisty (if sometimes coarse) capacity for survival, and again in 1986 it showed that it is determined and probably able to counter Iran’s best military, economic and ideological exertions with effective adjustments and pressures of its own.

Over the past 12 months, the strategic balance in the Iran–Iraq war has shifted for the fourth time. The shift was primarily a result of unexpected and successful military maneuvers that Iran carried out in Iraq’s Fao Peninsula and the Iranian border town of Mehran, in February and July, respectively. This was the second time Iran successfully reversed Iraqi momentum in the war. In 1982, Iranian counterattacks expelled Iraqi occupation forces that had been in Iran for some 18 months. Iran’s most recent drive reversed the advantage Iraq gained in 1984 and 1985, when the expansion of its oil pipelines and the acquisition of large amounts of sophisticated military hardware enabled it to take the initiative in an economic war against Iran. But the inconclusive effect of Iraq’s targeting of Iranian economic installations, especially in the Persian Gulf, renewed the appearance of military stalemate, which, in turn, set the stage for Iran’s daring maneuvers of early 1986.

To these unsettling developments one must add the Iran arms deal, which has furthered the image of resurgent Iranian power and influence in the Gulf. Taken together, these considerations raise the question: Will the latest reversal of momentum in the Gulf war prove terminal? Few current questions have greater strategic significance than this one.

¹See for example “USA Sent Direct Military Spares to Iran in July,” *Jane’s Defence Weekly*, November 22, 1986.

A decisive victory by Iran would amount to the most disastrous setback to Western interests in the Middle East since the end of World War II. Iran’s extremist and destabilizing influence would be brought directly to bear against Saudi Arabia and Kuwait, endangering their political as well as their oil-policy independence. Iranian pressure would also penetrate directly into the theater of the Arab–Israeli conflict and would undermine if not eliminate the Jordanian monarchy. In Egypt, the “demonstration effect” of Iran’s success would energize an already restive and potent Islamic movement and would, at the very least, neutralize Egypt’s stabilizing and pro-Western posture in the area.

In the face of such dire prospects, however, it is suggested that while Iraq now faces perhaps the greatest challenge of the war, it does not appear to be in danger of imminent collapse.

IRAQ’S MILITARY POSITION

True, Iraq faces a daunting military challenge. At this writing, Iran appears to be preparing for a major military offensive, for which it has assembled the largest military force of the war thus far. Up to 750,000 men have been marshaled by Iran along the full length of the Iran–Iraq border. In addition to the United States and Israeli arms transfers currently under investigation, Iran has reportedly obtained new supplies of arms from North Korea, China, Libya, Syria and other countries, including the West European allies of the United States. Among the most worrisome aspects of Iran’s military procurement are the possibility that shipments authorized or condoned by the United States contained spare parts for Iran’s American-built aircraft¹ and the fact that Iran has a purchase agreement with China to acquire some 50 Chinese-built fighter aircraft, the equivalent of Soviet MiG-21’s.

Three factors have set the stage for this so-called “final” offensive. The dramatic collapse of oil prices in the past year has pushed Iran’s economy to the brink of collapse, and in early August Iran’s leaders openly admitted that they were unable to sustain a major war effort under then-current levels of petro-

leum revenues. These revenues have since plunged further because of the newfound effectiveness of Iraqi air attacks, which have reduced Iranian oil exports to 700,000 or 800,000 barrels per day (b/d), compared with Iraq's exports of 1.7 million–1.8 million b/d. Thus it is urgent for Iran to assemble a massive force to bring about the collapse of the Iraqi regime as soon as possible.

The other important background elements are the military defeats that Iran inflicted on Iraq earlier this year. Iran's surprising and successful invasion and occupation of the Fao Peninsula in southern Iraq caught Western attention because it rendered irrelevant Iraq's overwhelming military equipment superiority and because it represented the first major seizure of Iraqi land that Iran was able to hold successfully. The Fao invasion also attracted the attention of the Arab countries of the Gulf; it posed an immediate military threat to Kuwait and once again raised the possibility of an Iraqi defeat and the resulting Iranian pressure on these countries.

The second military setback for Iraq, the expulsion of its forces from Mehran in early July, was perhaps even more alarming. Iraqi forces had taken Mehran only six weeks earlier, and announced in the process that Mehran would be held until Iranian forces vacated Fao. That Iran's poorly equipped military was able to force the Iraqis out in a matter of weeks from a location presumably well suited to Iraq's equipment advantages, raised concerns about the effectiveness and morale of the Iraqi military.

But it appears that these concerns, which were further fueled by the threatened "final" Iranian offensive, were exaggerated. The reality of Iraq's current military position appears to be more balanced, although it is far from secure. For example, in 1986 Iraq was believed to have some 4,000 main battle tanks as opposed to 1,000 for Iran. Iraq has some 3,800 other armored fighting vehicles, while Iran has between 1,200 and 2,000. Iraq's 3,000–3,500 major artillery pieces outnumber Iran's by roughly three to one. In terms of combat aircraft, Iraq is believed to have up to 580 as compared to roughly 100 for Iran. Iraq's total helicopters number about 400, while Iran may have as few as 150. Iraq's surface-to-air missile batteries outnumber Iran's 75 to 12.²

In addition to the quantitative transformation that Iraq's military has undergone, its qualitative improvements must also be emphasized. Whereas Iraq

once had to rely almost exclusively on second-line Soviet equipment, its arsenal now contains some of the most advanced Western weapons. For example, France has provided Mirage F-1 fighters, attack helicopters, missiles and electronics. Italy has provided missile boats and electronic equipment. Brazil has sold armored vehicles, artillery rockets and, reportedly, new tanks. Iraq now receives some of the highest quality tanks, aircraft, missiles and rockets that the Soviet Union exports. Israeli sources emphasize that Iraq has acquired conventional weapons from a long list of other Western suppliers as well. Important breakthroughs have also been achieved in its electronic defense and in its logistical capability to move units quickly and keep them well supplied. Iraq's acquisition of some 2,000 motorized tank carriers is one of its most important procurement successes.³

In the area of manpower strength, mobilizations in the latter half of 1986 reportedly enlarged Iraq's army to roughly 700,000 men. Iraq is believed to have 40 divisions under arms, compared with 6 divisions at the time of the October, 1973, war. The 40 divisions may include forces from Iraq's paramilitary troops, the People's Army. It is believed that 9 of Iraq's divisions are currently mechanized and the remainder are highly mobile. In addition, in the months since the Fao offensive, Iraq is reported to have expanded its elite reserve units significantly. These commando units, known as the Republican Guards, have reportedly increased from 6 brigades to 16 or 17 in number. This provides on the order of 25,000 men equipped with Soviet T-72 tanks and Eastern and Western antitank missiles.⁴

But enlarged though it may be, the crucial factors in this growing force remain morale and loyalty to the existing political structure in Iraq. Questions about morale and effectiveness sharpened in the aftermath of the Fao offensive, when some 10,000 Iraqi troops are believed to have been killed. The incessant funeral processions at Najjaf and Karbala were a poignant indication of the growing human and political cost of the war to Iraq and to Saddam Hussein's regime. That the regime was sensitive to these costs was evident from its efforts first to minimize the importance of the Iranian occupation of Fao, and then to try to hold Mehran until it could be exchanged for Fao.

There are no precise measures of the status of morale or political loyalty within the Iraqi military. The secretive nature of Iraqi society means that any conclusions reached—positive or negative—are largely deductive in nature, based on events in the war rather than information on the state of the Iraqi fighting man's thinking. A number of reports since Mehran have claimed that Iraqi morale is strong; some reference has been made to relatively enlightened personnel policies that the Iraqi government pursues with the rank and file. Juxtaposed with these are other

²Anthony H. Cordesman, "The Iran-Iraq War: 1984–1986" (Paper produced for Eaton Analytical Assessments Center, Arlington, Va., May, 1986).

³Hirsch Goodman, "Iraq: Threat on the Horizon," *Jerusalem Post*, April 5, 1986.

⁴Charles Mohr, "Iraqi Minister Says Iranian Offensive Might Include a Feint to Draw Units," *The New York Times*, September 26, 1986; and Goodman, *op. cit.*

assessments that allege "a morale problem all the way up to the top" of Iraq's decision-making hierarchy.⁵ However, it would appear that Iraqis in general and the military in particular are persuaded that to abandon Saddam Hussein would be to agree to the domination of Iran's Ayatollah Ruhollah Khomeini.

Outsiders (including, reportedly, citizens of nearby Arab countries) have argued that a third option is available: the substitution of a secular leader in place of Saddam Hussein, which would remove Iran's reason to continue fighting. But the prevailing view in Iraq is that such a substitution could not be accomplished without the collapse of Iraq's overall political structure. This in turn would leave the country susceptible to domination by Iran, which is to be avoided at all costs.

Another reason for increased confidence in Iraq's military is the startling improvement in the recent performance of the Iraqi air force. Available information suggests that this improvement has both political and technological causes. The political factor (described at greater length below) is associated with a decision made in July by the Iraqi leadership to give the military more authority in commanding war operations. To date, observers have unanimously agreed that the excessive interference of political leaders (particularly Saddam Hussein) in operational decisions on military matters has seriously undermined military effectiveness. In addition, it is widely believed that Saddam Hussein limited the air force's activities to avoid "total war" with Iran, to avoid alienating Iran's populace permanently—with whom, Saddam believes, he must eventually arrive at an accommodation.

Saddam appears to have made these modifications in political-military policy as a result of the major deterioration in Iraq's position resulting from the Fao and Mehran operations. In August and September, the Iraqi air force initiated its most effective campaign against Iranian economic and oil targets. The most dramatic attacks have been long-range strikes against Iranian oil facilities deep in the Persian Gulf. On August 12, Sirri Island, a makeshift Iranian oil terminal 500 miles southeast of Iraq, was bombed. Three weeks later Iraq carried out an attack against the Iranian terminal at Lavan, some 430 miles from Iraq. On November 25, Iraq carried out its longest raid of the war, striking Larak Island, located in the Strait

of Hormuz itself. These operations indicate that Iraq has acquired a refueling capability.

These long-range penetrations have been complemented by increasingly effective action against Kharg Island, the traditional target in the northern Gulf. Once in August and again in September, Iraqi jets attacked Kharg in low-flying waves, a sharp reversal of the timid tactics for which Iraq had been criticized for years. The willingness of Iraqi pilots to fly at low levels into the jaws of alerted air defenses has paid off remarkably well in terms of declining Iranian oil exports. As a result, Iran's oil revenues at the end of 1986 were estimated at \$400 million per month, compared with an average of \$1.2 billion monthly a year earlier. Iraq's repeated attacks against onshore oil refineries have further weakened Iran's financial position, requiring Teheran to expend scarce reserves to import an estimated 300,000 b/d of oil products.

There is no indication that Iraq intends to resume the intensive air war it waged against Iranian cities in 1985. That campaign evidently had a signal impact inside Teheran, however, and it is probable that it will be resumed if Iran's leaders maintain their present objectives against Iraq, for example, by following through with the so-called "final offensive."

IRAQ'S ECONOMY

While Iran's economy appears to be stretched to the limit, Iraq is also under its most severe economic strain of the war. Unlike Iran, Iraq has survived economically primarily by externalizing its financial burden. Its total foreign debts are estimated at \$40 billion—\$60 billion, but the minimum figure is almost certainly closer to \$55 billion. A rough breakdown of this debt includes the following estimates:

- \$30 billion—\$40 billion owed to Arab Gulf states (primarily Saudi Arabia and Kuwait);
- \$5 billion owed to the Soviet Union for arms purchases;
- \$7 billion owed to international banks;
- \$15 billion owed in guaranteed and nonguaranteed debts to foreign countries and contractors.

The largest proportion of Iraq's foreign debt, that owed to its supporters in the Gulf, does not figure in Iraq's debt-servicing requirements, and many argue that it may never be repaid. Although they are not known, the terms of the Soviet credits to Iraq are believed to be soft, payable over up to 20 years at low interest rates.⁶

The remainder of Iraq's burden, however, is of immediate and pressing concern. Obligations to a large number of foreign suppliers and governments were rescheduled during Iraq's other major economic crisis period, 1983–1984. In 1986, new agreements were negotiated with most of Iraq's important foreign creditors, including France, Japan, India, Turkey and West Germany. But in a major departure from past patterns, in 1986 Iraq had to defer payment on its loans

⁵For example, contrast Charles Mohr, "With Iraqis at the Front: Esprit Looks Strong," *The New York Times*, October 1, 1986, with John Kifner, "Arabs Fearful of Breakout by Iran Army," *The New York Times*, September 23, 1986, and Charles P. Wallace, "War Balance Shifts to Iran, Analysts Say," *Los Angeles Times*, August 1, 1986.

⁶These figures represent a synthesis of available information from publications such as the *Financial Times* and *Middle East Economic Digest*, augmented by the author's discussions with officials in Washington and Baghdad.

to international banks. After years of prompt repayments on its bank debts, it was revealed in August, 1986, that Iraq had rescheduled two \$12-million installments on a 1983 Euroloan of \$120 million. Then, in late September, Iraq told its creditors it could not make a \$71-million payment on a \$500-million loan that also originated in 1983.⁷ While there are indications that Iraq may succeed in rescheduling these loans, there is little doubt that doing so will have a detrimental effect on its efforts to obtain new credit from these sources, which, until now, Iraq was scrupulously cultivating.

In the past three years, Iraq has staked its hopes for a return to economic and financial normalcy on the rapid expansion of its oil export capacity. In 1986, the optimistic projections of significantly enhanced Iraqi oil production were largely fulfilled. Output for the last half of the year averaged close to 2 million b/d, compared with an average of 1.4 million b/d in 1985, by far the largest jump in production made in any year since the beginning of the war. Oil revenues, however, fell far short of projected levels. The 50 percent decline in oil prices probably limited earnings to \$9 billion or below in 1986, compared with the \$14 billion–\$15 billion that had been projected.

In short, Iraq is running out of options. In the previous financial crisis of the war (1983–1984), Iraq survived by strong-arming foreign creditors who accepted promises of increased Iraqi oil production in the short term and a long-term stake in Iraq's vast postwar economic pie. Now, more than two years later, Baghdad's best efforts have failed to increase oil revenues above what they were in 1983. Meanwhile, the debts have accumulated at an increasing pace, and even though further pipeline enhancements will add over 1.5 million b/d in export capacity by 1989, Iraq will face an increasingly difficult time persuading its creditors to increase their exposure. Thus, unless the price of oil rebounds or war costs decline substantially, by the end of 1987 or early 1988 Iraq could be forced to shoulder a much larger portion of its own economic burdens.

Should that occur, one of the central sociopolitical questions of the war will be joined: Can Iraqi society cope with the kind of economic hardship that Iran has faced for several years without demanding the removal of the present regime in Baghdad? The answer to this question is unknown, and probably unknowable in advance. But for the most part, the only argument heard so far has been from those who have argued ipso facto that because Iran's ideological fervor is wider and deeper than Iraq's, the Saddam Hussein regime would collapse under increasing pressures.

⁷*Middle East Economic Digest*, August 9, 1986, p. 5, and October 11, 1986, p. 18; and Peter Truell, "Iraq Is Said To Face Rising Debt Problems," *Wall Street Journal*, October 14, 1986.

This imbalance in the debate should be corrected. The appeal of the Saddam Hussein regime, as well as its effectiveness in meeting the social, political and ideological aspirations of Iraq's people, is widely underestimated in the West. While the existing government leaves much to be desired, one cannot dismiss out of hand the prospect that Iraqis would undergo a good deal more deprivation than they have to date in order to keep their present leadership, rather than submit to the ideological, economic and military pressures of the Iranian revolution.

THE POLITICAL SITUATION

Similarly, political pressures in Iraq are believed to be at their most intense level since the beginning of the war, although not yet to the point where the serious expectation of Saddam Hussein's demise is justified. Since the expulsion of Iraqi forces from Mehran at the beginning of July, political maneuvering has shown the strengths and weaknesses of Saddam Hussein's rule perhaps more vividly than any period since the beginning of the war. Political/psychological objectives were at the heart of the Iraqi decision to retake Mehran in May; Iraq wanted to inflict on Iran a humiliation similar to Iran's occupation of Iraqi territory at Fao. But, obviously, Iraq's tactics at Mehran produced a much less favorable political/psychological equation. Intelligence sources suggest that Saddam Hussein bore personal responsibility for the decision to leave Iraqi forces in the exposed positions from which they were driven at Mehran. As at Fao, elements of Iraq's elite Republican Guards lost heavily at Mehran. A brother of Hassan Ali, currently Iraq's trade minister and a long-standing member of the Revolutionary Command Council, was killed in this fighting.

Within days after the disintegration of Iraq's position at Mehran, Saddam Hussein convened an extraordinary session of the "regional conference" of the Baath party. This same tactic, the convening of a regional Baath party congress, was used in 1982 to preempt a political explosion just after Iraqi troops were driven out of Iranian territory. In 1982, a major overhaul of the Revolutionary Command Council (RCC), the most powerful body in the country, sent six of its members to obscure jobs elsewhere in the Baath party structure. This was widely seen as an exercise to shift the blame for Iraq's lackluster per-

(Continued on page 82)

Frederick W. Axelgard is the author of the monograph *U.S.-Arab Relations: The Iraq Dimension* (Washington, D.C.: National Council on U.S.-Arab Relations, 1985) and a contributing editor to *Iraq in Transition* (Boulder, Colo.: Westview Press, 1986). This paper grows out of several years of research on Iraq, including trips to the country in 1983, 1984 and 1985.

"For Syria and Lebanon and for Syria in Lebanon, 1986 was a year during which new directions were not charted."

Syria and Lebanon

BY ITAMAR RABINOVICH

Director, Dayan Center for Middle Eastern and African Studies, Tel Aviv University

SINCE 1975, the politics of Syria and Lebanon have been practically inseparable. The collapse of the Lebanese political system and Syria's intervention in the Lebanese civil war made Syria hegemonic in Lebanon; these factors also turned the Lebanese question into a central, sometimes the central, issue in Syria's domestic politics and foreign policy.

Syria's domestic politics between 1975 and 1986 were governed by three issues: the succession question, a renewed wave of terrorist attacks against the regime, and lingering economic difficulties.¹ The deterioration of President Hafez Assad's health after November, 1983, gave rise to an open power struggle within his regime in 1984 that continued in more subtle ways after his recovery in the spring of that year. After he recovered, Assad took measures to defuse the tensions that threatened to burst into an open conflict, to reassert his standing as the regime's sole and unquestioned leader, and to prevent the crystallization of factions or the emergence of new leaders who might threaten his position. With these aims in mind, Assad dispatched his own brother Rifaat and two other Alawi generals, Shafik Fayyad and Ali Duba, to Moscow. While the generals were allowed to return, Rifaat remained in Europe, because his power base in Syria was being eroded. But the President did keep his brother in the picture—he is one of Syria's three Vice Presidents and is nominally in charge of national security; his return to Syria was arranged in October, 1984.²

With an empty title and barred from either meaningful political activity or the pursuit of his economic interests, Rifaat Assad found his stay in Syria distasteful. In 1986, he returned to Europe, where he and his large retinue engage in political activity and publish a mouthpiece, *Al Fursan*, in which subtle

deviations from the official Syrian line can be detected.

Rifaat Assad's stay in Europe is the visible tip of the mostly imperceptible struggle for power that continues in Damascus. Hafez Assad's authority is not being challenged, but the principal contenders for power—Shafiq Fayyad and Ali Haidar as well as the heads of military and air force intelligence, Generals Ali Duba and Muhammad Khuli (both also Alawis), among others—are reportedly positioning themselves for an anticipated contest. Syria's politics are secretive and the struggle for power is a particularly sensitive issue; thus authoritative information is scarce. But despite his recovery in 1984, Assad's capacity to control the minute details of his country's politics has apparently been affected. It has been suggested that Syria's entanglement in some of the more peculiar terrorist incidents of 1986 was at least in part the result of Assad's weaker grip and the greater power of and fiercer competition between some of his lieutenants.³

In 1986, Assad's Baath regime did not face a serious challenge from the diverse opposition groups in Syria and abroad or from the loose coalition into which they had coalesced. But during the first months of 1986, for the first time since the crushing of the radical Islamic opposition in Hama (in February, 1982), a serious wave of antiregime terrorist activities was launched. It culminated in the explosion of a refrigerator truck in the northern part of Damascus in March and several explosions on buses transporting military personnel in April.

The scale of the attacks and the number of casualties were such that they had to be acknowledged by the government. A revival of radical Islamic opposition came to mind as the most likely cause, but the international press pointed to other potential authors—Iraq, Lebanese Christian groups (presumably in retaliation for shelling and car bomb explosions in East Beirut), Palestine Liberation Organization (PLO) chairman Yasir Arafat's mainstream PLO faction, and Israel.⁴ From the regime's point of view it was most important to demonstrate that the radical Islamic opposition, Assad's most significant challenger, had not been revived. A Lebanese national publicly confessed to the March incident and stated that he had been sent by the Iraqi government. He was sentenced

¹For a survey of Syrian politics in 1985 see John Devlin, "Syria: Consistency at Home and Abroad," *Current History*, February, 1986, pp. 67–70, 84.

²See Alasdair Drysdale, "The Succession Question in Syria," *The Middle East Journal*, Spring, 1985, pp. 246–257.

³For details see the material released on November 14, 1986, by the White House and the State Department in conjunction with the decision to impose sanctions on Syria.

⁴The Economist Intelligence Unit, *Quarterly Economic Report: Syria, 1986* (London: The Economist, 1986).

to death and was hanged. It was, of course, impossible to verify his confession.

The political costs of Syria's lingering economic difficulties were less direct. Inflation, the scarcity of commodities and a shortage of foreign currency have tended to affect mostly the salaried middle and the lower classes.⁵ The resentment of these groups has been exacerbated by the fact that members of the regime's upper echelons and their allied stratum of businessmen and entrepreneurs have hardly been affected by these difficulties. The regime's awareness of the growing antagonism of the public led it in 1985 to conduct a second "anticorruption campaign" and to limit smuggling and black-marketeering conducted from Lebanon. Under the political circumstances, it was difficult to separate a genuine drive against corruption from a more "political" effort to clip the wings of Rifaat Assad, who had, indeed, been at the core of the corrupt side of the Baath regime.

Policy debates within the regime are not made public, but echoes of a persistent disagreement over economic policies are audible. The rapid economic expansion of the Syrian economy was arrested in 1982, and the Syrian leadership realizes that significant changes must be introduced in order to cope with the problem. In the debate within the regime, a curious alliance seems to have been formed between "technocratic" Cabinet ministers and a faction of the military who, for very different reasons, advocate the preservation of Syria's small but active private sector, and an "ideological" wing whose members argue that only stiffer state control can see Syria through its present economic crisis.

Despite its economic difficulties, the regime was successful in the elections to its Legislative Assembly in February, 1986. Out of 195 seats, the Baath won 129 and its partners in the National Progressive Front won 57. Electoral participation was minimal, reflecting the voters' awareness of the limited role assigned to the Assembly and their limited choices.

FOREIGN POLICY

The 16 years of Assad's regime have been marked by alternating periods of initiative and inertia. Mid-1984 marked the transition from a dynamic, coherent and unusually effective phase to the current period, which has been characterized by the absence of a comprehensive strategy or a sense of direction.

From the fall of 1982 to the spring of 1984, Syria's policy focused on undoing the consequences of the 1982 war and on defeating the Middle East policy of

President Ronald Reagan. Assad proved to be unusually skillful in exploiting his advantages and his adversaries' weaknesses in Lebanon. He was also able to use his gains in Lebanon and the Lebanese question's centrality to enhance his regional and international standing and to accomplish broader regional aims.

But by the middle of 1984, the pattern had changed. Assad's illness and the ensuing domestic power struggle had an adverse effect on Syria's standing and capabilities in the region. Syria's very success in Lebanon produced a new configuration with which, ironically, Syria has been hard pressed to contend. In regional terms, the importance of the Lebanese arena declined and with it the value of Syria's assets there. Instead of the coherent single-minded drive of the previous period, Syria's regional policy came to consist of a series of discrete pursuits—the Lebanese issue, the conflict with Israel, the alliance with Iran, the rapprochement with Jordan, the persistent antagonisms with regard to Iraq, Egypt and the PLO. In addition to Syria's policy in Lebanon, two other issues dominated Syria's foreign policy in 1986.

One was Syria's conflict with Israel and the possibility of a Syrian-Israeli war. The issue has been pushed to the fore by the actions and statements of both sides. Syria conducts its policy under the slogan and doctrine of "strategic parity" with Israel. The term denotes Syria's desire to stand on its own against Israel in a potential military conflict. Syria is building an impressive military machine designed to provide that parity. It is a matter of debate and speculation whether this effort has a defensive or an offensive edge. A significant body of opinion in Israel holds that the edge is offensive and that Syria is on the verge of reaching a perceived if not a real military parity. On several occasions in 1986, particularly after President Assad's speeches of February 27 and March 8, Israeli leaders and opinion makers voiced their concern that Syria was about to launch at least limited hostilities against Israel.⁶

In a classic mirror image pattern, this caused anxiety in Syria. If Syria did not feel ready for war and was not planning an attack, then Israel's statements could be interpreted as the political groundwork for an Israeli attack on Syria. Such fears were exacerbated by the American raid on Libya on April 15.

But Syria's anxiety in the spring of 1986 served only to underline the question marks regarding the other salient aspect of its foreign policy in that year—Syrian implication in a series of acts of terrorism and political violence ranging from attempts to plant bombs in El Al planes in London (April 17) and Madrid (June 26) to bomb explosions in West Berlin and Paris. In most of these cases, the facts have been established beyond debate. Court verdicts and proceedings in London and Berlin and United States State Department state-

⁵Eliyahu Kanovsky, *What's Behind Syria's Current Economic Problems?* Dayan Center for Middle Eastern and African Studies Occasional Papers Series (Tel Aviv: Tel Aviv University, May, 1985).

⁶See Leslie H. Gelb, "Israelis Say Syria Might Seek a War," *The New York Times*, July 14, 1986.

ments provided rich documentation. Britain subsequently severed diplomatic relations with Syria, and the European Economic Community (EEC), the United States and Canada imposed sanctions.

Assad's regime had launched and supported what came to be known in common parlance as terrorist activities in the past. Terrorism had been an element of its policy in the Arab-Israeli conflict, of its conduct in Lebanon and of its relationship with Iran, Libya and the Palestinian organizations. But Syria had used this tool with caution and discrimination, especially outside the Middle East. Particularly in the latter part of 1986, Syria's conduct in this field was out of character. A satisfactory, comprehensive explanation for its conduct has not been offered, but the most plausible thesis is that Assad's illness and the power struggle within his regime have loosened his grip. The fact that some of the heads of Syria's intelligence services are involved in the power struggle lends further credence to this explanation.⁷

LEBANON IN 1986

More than eleven years after the outbreak of the Lebanese civil war, more than four years after Amin Gemayel's election to the presidency, and more than two and a half years after Syria's victory over its rivals in the Lebanese arena, the Lebanese crisis seems no nearer to resolution. Lebanon is still divided into several virtual autonomies, each beset by violence. Its political system is paralyzed and suspended, and its political institutions and state bureaucracy are functioning on a part-time basis. Lebanon's principal communities have not been able to agree on a new national political consensus that would make possible the normalization of public life and the revival of normal political life. Nor has anyone been able to break the vicious cycle generated by the involvement—massive in the case of Syria and the PLO, less massive in the case of Israel, Iran and others—of external actors in the Lebanese crisis and their interplay with domestic Lebanese forces.

In December, 1985, Syria tried to break the deadlock by persuading the leaders of the three principal militias in Lebanon—Nabih Berri of the Shiite Amal, Walid Jumblat of the Druse, and Elie Hobeika of the Maronite Lebanese Forces—to sign the Damascus accord. The agreement included a list of Maronite Christian concessions that were to lead to a new national consensus and to a greater institutionalization of Syria's influence. In other words, Syria tried to accomplish what the leaders of the major com-

munities had failed to achieve in their Geneva and Lausanne conferences in 1983 and 1984.

The main differences between these earlier efforts and the Damascus accord were the exclusion of the Sunni community, the explicit recognition given to the militias as the effective wielders of power in Lebanon, and the representation of the Maronite community by Elie Hobeika and the exclusion of President Gemayel and established leaders and groups like Camille Chamoun and the Phalange.

Indeed, the authors of the Damascus accord made their gravest mistake with regard to the Maronites and East Beirut. Elie Hobeika had not consolidated his hold over the Lebanese Forces after his recent takeover, and his willingness to sign away some of the traditional Maronite privileges undermined his position and enabled Samir Geaga, his rival within the militia, to topple him. Hobeika left for Europe and then returned to settle in Damascus in anticipation of an eventual comeback. The Damascus accord collapsed, and Syria did not repeat its attempt to devise a comprehensive solution to the crisis.⁸

In the absence of normal Lebanese political life, most meaningful political activity took place within Lebanon's major communities. In the Maronite community, the conflict between Hobeika and Geaga reerupted in August when Hobeika, with Syrian help, tried to stage a comeback. His failure revealed once again the role that the Christian brigades of the Lebanese army had come to play in Maronite Christian politics. They had in fact replaced the declining Lebanese Forces as the guarantor of Maronite autonomy in East Beirut and its outlying areas.

In these circumstances and given the fact that Gemayel's term expires in September, 1988 (under normal conditions his successor should be elected in May, 1988), it was practically inevitable that the army's commander, Michel Awn, should be mentioned as a potential successor. But his is not the only name and, given the abnormal circumstances in Lebanon, all talk of prospective presidential candidates at this stage is speculative.

In the Shiite community, Nabih Berri has had difficulty fighting on several simultaneous fronts. "The War of the Camps," the effort to take control of Sabra and Shatila and to prevent a PLO comeback in Beirut, continued without success. The PLO also returned (though not in full force) to Tyre, Sidon and other parts of south Lebanon, in cooperation with Hezbollah, Amal's radical rival in the Shiite community. Hezbollah continued to enjoy Iran's backing, and its alliance with the PLO was based on mutual interests. In return for Hezbollah's hospitality, the PLO provided personnel, matériel and money in order to stage joint operations directed at or meant to embarrass Israel, Syria and Amal.

A successful attack in or from south Lebanon was

⁷Interesting material on the structure of Syria's intelligence community can be found in *Report from Amnesty International to the Government of the Syrian Arab Republic* (n.p., n.d.), pp. 12-14.

⁸Cf. William Harris, "Beirut: The Battle to Come," *The Middle East* (London), June, 1986, pp. 10-11.

likely to generate Israeli retaliation and would pit Israel against the population of the south and, directly or indirectly, against Amal, whose own interests required peace and stability in the region. Berri also faced opposition within his own movement. In April he won the elections held by Amal, but his victory was not a matter of course.

SYRIA IN LEBANON

As the politics of the Shiite community in Lebanon clearly illustrates, it remained impossible to isolate the domestic dimension of the Lebanese crisis from the policies of the chief foreign actors.

Israel continues the policy it has pursued since its withdrawal in June, 1985. It supports General Antoine Lahad's South Lebanon Army, maintains several hundred of its own men inside the security zone in south Lebanon, and steps up its activity and direct involvement whenever a more serious challenge arises. It has remained interested in Lebanon's national politics but is equally determined not to be drawn in again. In the teeth of Syria's and Amal's opposition, the PLO has continued its persistent drive to reestablish its presence in Beirut and south Lebanon. Its resources have bought it the cooperation not only of Hezbollah but occasionally even of Amin Gemayel's administration. For its part, Iran has cultivated both Hezbollah and the PLO and has often operated at cross-purposes from its ally, Syria.

All the actions of these actors remain marginal to those of Syria, the hegemonic external power, and it is Syria's conduct that should be examined in greater detail.

Since Syria's victory in February, 1984, Syrian policy in Lebanon has been concerned with four main issues: pacification and normalization, the consolidation and formalization of Syria's own position, and its conflicts with Israel and conflicts with the PLO. In 1986, Syria encountered considerable difficulties in carrying out its policies in Lebanon.

Some of its difficulties were inherent in the very nature of Syria's position in Lebanon. Its victory in 1984 encumbered Syria with the responsibilities of hegemony but without providing the necessary resources. Syria had to provide a measure of public order and to show progress toward a settlement. And it had to do so without engaging its military forces in the quicksands of Lebanese politics. Assad's experience in the mid- and late 1970's had taught him that his own political system could not shoulder the burden and defray the cost of such military intervention.

Thus Syria's military forces remained mostly in the background, while Assad tried to carry out a complex policy, seeking to manipulate the Lebanese through local forces and actors. This policy turned out to be full of flaws and contradictions that failed to overcome the complexities of Lebanese politics. And despite their

proximity and experience, Syria's policymakers were not immune to grave errors of judgment.

In January, 1986, Syria's effort to engineer a political solution for the domestic Lebanese conflict and to formalize its own position in Lebanon collapsed. This failure, the PLO's incremental return to Lebanon, and the persistence of violent conflict in Beirut and other parts of the country led to a number of changes in Syrian policy. Pressure was subsequently exerted on East Beirut by shelling (most notably at the end of March) and by a series of car bombs. In July, Syria issued a "security plan" for West Beirut along the lines of earlier and relatively successful plans for Zahle and Tripoli. In order to implement this plan and in an effort to stop the PLO's entrenchment in West Beirut and the south, a detachment of several hundred Syrian soldiers and intelligence agents was dispatched to Beirut. At the year's end, it was clear that these departures had not produced a real change.

ISRAELI INVOLVEMENT

Syria undoubtedly ascribed some of its problems in Beirut to Israel's continuing involvement and influence, Israeli statements to the contrary notwithstanding. But Syria actually viewed its conflict with Israel in Lebanon as focusing on the southern and eastern flanks of the country. From Assad's point of view, Israel's diminished military presence in south Lebanon remained unacceptable. He argued that all advantages gained by Israel had to be undone. These included the South Lebanon Army (the upgraded version of Major Saad Haddad's original militia), its Druse and Shiite components and its presence in Jezzín, the Christian town on the southern slopes of Mount Lebanon. Implicit in Syria's rejection of Israel's post-1982 innovation was the possibility of compliance with the pre-1982 elements of Israel's security plan in south Lebanon. But the political context for exploring the potential flexibility that this afforded did not exist in 1986. Syria fought Israel's presence and influence in south Lebanon by proxy, supporting attacks by Shiite, Palestinian and sundry Lebanese groups (primarily the pro-Syrian Syrian Social Nationalist party) on the

(Continued on page 89)

Itamar Rabinovich is the Dina and Yona Ettinger Professor of Contemporary Middle Eastern history at Tel Aviv University. His most recent books are *The War for Lebanon, 1970-1985* (Ithaca, N.Y.: Cornell University Press, 1985) and, with Michael Fry, *Despatches from Damascus* (Tel Aviv: Dayan Center for Middle Eastern and African Studies, Tel Aviv University, 1986, and Los Angeles: School of International Relations, University of Southern California, 1986). He wrote this essay while he was a fellow in the International Security Studies Program at the Wilson Center in Washington, D.C.

"Qaddafi's commitment to international revolution [appears] . . . to be undiminished by the American raid. Moreover, his personal security has probably been temporarily enhanced, because the attack exposed the existence of opposition in the military that Qaddafi could eliminate. Thus there is little likelihood that there will be a discernible decline in Libyan support for radical Palestinian groups or for revolutionary opposition movements elsewhere in the Arab world or Africa."

Libya's Qaddafi: Still in Command?

BY LISA ANDERSON

Associate Professor of Political Science, Columbia University

WELL before Colonel Muammar Qaddafi celebrated the seventeenth anniversary of the coup d'état that brought him to power in Libya on September 1, 1969, his revolution had begun to sour.¹ As slumping oil prices severely cut Libyan earnings and lowered the standard of living of the ordinary Libyan family, the political opposition to Qaddafi's government grew increasingly visible and vocal. Simultaneously, internal power struggles appeared to divide the regime and to stymie efforts to respond effectively to the country's social and economic dilemmas.

The United States–Libyan confrontation, which dominated international headlines for months before culminating in the American bombing of sites in Tripoli and Benghazi on April 14, 1986, diverted the attention of many Libyans and most of the rest of the world from the regime's domestic problems to the high drama of its international profile. Yet sober assessment of the impact of the bombing on both the prospects of the Libyan regime and the contours of the international political scene (particularly the future of what the United States calls state-sponsored terrorism) requires examination of the domestic and regional context in which Qaddafi has operated in recent years.

Reports of domestic unrest in Libya in the form of military mutinies and attempted coups grew during the 1980's. It has been estimated that there may have been as many coup attempts between 1980 and 1983 as there were in the entire previous decade, and there appears to have been no letup in the following years. The most spectacular domestic effort to unseat Qaddafi came in May, 1984, when a group said to have ties with an exiled opposition organization, the National Front for the Salvation of Libya (NFSL), was foiled

in its effort to attack the barracks where Qaddafi lives. Two fresh efforts to assassinate Qaddafi were reported during the spring of 1985 and upward of 75 military officers were said to have been executed as a result. In recent months, it has been reported that leaflets hostile to the regime were distributed within the country; posters of Qaddafi were disfigured; regime supporters were murdered and their bodies mutilated, and Qaddafi's second-in-command, Abdul Salam Jalud, was the target of an assassination attempt.²

The known organized opposition operates in exile and is institutionally fragmented and ideologically divided. As many as a dozen different groups compete for support among Qaddafi's foes. During the first half of the 1980's, the regime's efforts to silence this opposition were well publicized, often as evidence of Libyan sponsorship of terrorism.³ Libyan nationals known to oppose Qaddafi were assassinated in London, Bonn, Rome and Athens, and attacks were reported from Egypt to Colorado. The exiles probably constitute little serious threat to the regime, but they are evidently a major embarrassment, providing evidence of widespread and profound dissatisfaction with Qaddafi's revolution among Libyans.

Few other regimes in the Arab world or in Africa have been surprised or sorry to see rising opposition to Qaddafi. His regime is widely, if privately, considered a meddlesome anachronism by other Arab governments: his calls for Arab unity and international revolution ring hollow to the many regimes he has tried to subvert, and various Libyan opposition leaders and movements are actively supported by Egypt, Saudi Arabia and Iraq. Morocco's King Hassan abrogated the treaty of union he signed with Qaddafi in 1984, after the Libyan leader criticized the King's July, 1986, meetings with Israeli Prime Minister Shimon Peres. Only Iran and Syria remained on good, if occasionally competitive, terms with Libya, whose support of Persian Iran in its war with Arab Iraq reflected the growth of revolutionary solidarity at the expense of Arab causes in Qaddafi's foreign policy.

The sources of domestic dissatisfaction with

¹For historical background on the Qaddafi regime, see Lisa Anderson, "Assessing Libya's Qaddafi," *Current History*, vol. 84, no. 502 (May, 1985).

²See Lisa Anderson, "Qadhdhafi and His Opposition," *The Middle East Journal*, vol. 40, no. 2 (Spring, 1986).

³*Newsletter of the National Front for the Salvation of Libya*, no. 50 (August/September, 1986).

Qaddafi's regime are not hard to find. The deleterious effects of the radical economic policies of the revolution on domestic production have been exacerbated by the investment and consumption cutbacks occasioned by the world oil glut and Libya's declining oil revenues. The revolutionary policies designed to ensure the equality of all Libyans—the abolition of retail trade, the seizure of bank accounts and businesses and, most recently, the destruction of land tenure records—have discouraged private investment and created a substantial black market. A report on the economy prepared by the Libyan Central Bank for discussion at the March, 1986, meeting of the General People's Congress—the revolution's counterpart of Parliament—was suppressed after only a few copies were distributed. It is reported, however, that the Central Bank declared that the government's policies had created an unhealthy atmosphere for economic activity and that, as a consequence, despite recurrent rumors that the currency is to be changed, the Libyan people hold more cash than do the country's banks.⁴

The revolution's policies also contributed to what may be an absolute decline in agricultural productivity, while industrial investment has been limited to expensive, high-technology turnkey projects with few links to other sectors of the domestic economy. Services are distorted by government wage, price and employment policies: three-fourths of the Libyan labor force is in the "public sector," drawing salaries merely for appearing at the office, while foreign nationals staff more than half the managerial and professional positions in the country. As the recurrent shortages of consumer goods suggest, bureaucratic inefficiency is widespread.

None of this has been helped by the world oil glut. Earnings plummeted from \$22 billion in 1980 to \$10 billion in 1985; they may drop as low as \$5 billion for 1986. Foreign exchange reserves dipped from \$13 billion in 1980 to \$2.7 billion in early 1986. In August, 1985, partly as a show of belt-tightening in response to declining revenues and partly out of pique with his neighbors, Qaddafi expelled 25,000–30,000 Tunisian and 10,000 Egyptian workers. Although Libya has no outstanding debt to foreign lenders, the country has unpaid bills to private contractors said to amount to \$3 billion or \$4 billion; and it is believed that Libya owed between \$4 billion and \$5 billion for military equipment before emergency shipments of SAM-5 missiles were delivered in March, 1986. That Italian contractors alone were owed \$1 billion contributed to the Libyan government's reluctant acceptance of the Agnelli family's offer to buy back Libyan shares in Fiat during the summer of 1986. For \$3.15 billion, Fiat rid itself of the principal hindrance to its bidding

on American defense projects, while Libya, which had paid \$400 million for the shares in 1976, made a handsome profit and obtained scarce hard currency.

Europe's trade relations with Libya were a factor of considerable importance in European unwillingness to bow to American pressure and impose economic sanctions on Libya during the 1980's. After the United States imposed its initial embargo on imports of Libyan crude oil in 1981, the proportion of Libyan oil going to Europe rose from 55 percent that year to 90 percent in 1984. Moreover, the Europeans were eager to see Libyan production remain high, so that the Libyan government would be able to settle its debts to European contractors. European reluctance also reflected the fact that loopholes in the American sanctions permitted the American oil and construction industries to maintain a substantial and profitable position in the Libyan economy, including stakes in operations accounting for 45 percent of the country's total oil output well into 1986.⁵

POWER STRUGGLES

In contrast to earlier stages of the revolution, notably the brief period of lowered revenues during an oil glut in 1975, economic policy seems not to be a major focus of debate within the regime. In the mid-1970's, when disputes about spending priorities provoked a major split in the ruling Revolutionary Command Council (RCC), the government still drew on the sympathies and expertise of the country's technocrats. Ten years later, after a decade of radically utopian and largely impractical economic and social policies, most of the country's technocrats are in exile, the general population is in sullen if passive opposition to the regime, and survival has become the critical issue.

As a consequence, among the Libyan elite three dimensions have become increasingly important in politics: seniority, kinship and affiliation with one or another military institution. The first of these pits the longtime comrades of Qaddafi against new, younger enthusiasts for the revolution. The remaining members of the now defunct Revolutionary Command Council—the group that joined in the coup with Qaddafi in 1969—are periodically said to have been pushed aside by new entrants into the political elite, notably Qaddafi's kinsmen and youthful admirers. That these men—Abdul Salam Jallud, Abu Bakr Yunis, Mustafa Kharubi and Khwayldi Humaydi—continue to retain control of important domestic intelligence and military posts suggests that reports of their political demise are premature, although it is apparent that their positions have not gone unchallenged.

One of the more important threats to their preeminence comes from Qaddafi's own Qadadfa tribe and is a result of Qaddafi's understandable mistrust of the

⁴*Newsletter of the National Front for the Salvation of Libya*, no. 46 (February/March, 1986).

⁵*The Financial Times* (London), January 9, 1986.

Libyan military establishment. Qaddafi launched his coup from the military, and he can reasonably expect that his successor will also do so. Thus as disaffection grew during the early 1980's, Qaddafi attempted to ensure his control of the military by putting members of his tribe into sensitive positions. His cousin, Khalifa Hnaish, was put in charge of Qaddafi's personal security, and the brothers Said and Ahmad Qadafadam, also cousins, served as Qaddafi's personal envoys in several sensitive foreign missions and are prominent in the intelligence services. Yet another cousin, Hasan Ishqal, was made commander of the armed forces of the Central Region, which includes the oil terminals and military installations on the Gulf of Sidra.

The problems faced by the regime because of this reliance on Qaddafi's relatives were twofold: it threatened the position of Qaddafi's longtime allies in the RCC, the revolution's "establishment" and, perhaps more important, the Qadadfa were less than discreet in accumulating the material perquisites of political power. By the end of October, 1985, Qaddafi had apparently decided that his relatives were out of hand. In an unsigned article in the newspaper *Jamahiriyah* (which bore the unmistakable imprint of Qaddafi's own pen), the Qadadfa were warned: "Muammar does not belong only to the Qadadfa tribe but is the son, the father, the cousin and the uncle of all revolutionaries."⁶

In addition to placing his kinsmen at critical points in the hierarchy, Qaddafi relied increasingly on "revolutionary committees" to provide domestic intelligence and security. These committees were founded in the late 1970's as adjuncts to the system of popular congresses and people's committees through which the Libyans are supposed to be ruling themselves. At the time, Qaddafi felt that the people exhibited too little appreciation for the institutions of his "Third International Theory," so he decreed the establishment of the revolutionary committees to mobilize popular enthusiasm—by force if necessary.

The revolutionary committees soon grew into a paramilitary force of between 4,000 and 5,000 young enthusiasts and thugs. These committees, which the Western media called "hit squads," were responsible for the "liquidation of the enemies of the revolution" abroad. They constituted the beginning of the realization of Qaddafi's dream of "arming the people,"

⁶*Newsletter of the National Front for the Salvation of Libya*, no. 44 (December, 1985).

⁷The administration was not alone: Ohio Senator Howard Metzenbaum (D.) endorsed assassinating Qaddafi. See *The New York Times*, January 14, 1986.

⁸The United States also decried Libya's reliance on the Soviet Union, which had been Libya's principal arms supplier since the mid-1970's. On the development of the Soviet-Libyan relationship, see Lisa Anderson, "Qadhdhafi and the Kremlin," *Problems of Communism*, September-October, 1985.

and they were a substantial challenge to the regular military. Soon revolutionary committees had been established in units of the regular military itself; after the NFSL attack of May, 1984, the administration of internal security was reshuffled to the advantage of the revolutionary committees who, in lieu of the army, patrolled the streets of Tripoli for several days after the attack. Revolutionary committees are said to guard the ammunition in the army bases at Tripoli and Tobruk.

That these innovations did not sit well with the regular military is suggested by the fact that in March and April, 1985, there were two assassination attempts against Qaddafi, after which first 15 and then 60 military officers were said to have been executed. That year the annual celebrations marking the anniversary of the revolution on September 1 were held, not in Tripoli as usual, but in Sebha, the capital of the southern province of Fezzan, without the usual military parade. The growing importance of the revolutionary committees disturbed the regular military and the Qadadfa, and it appears to have been Hasan Ishqal's willingness to voice their dismay directly to Qaddafi that led to his murder in November, 1985.

By early 1986, the victors in this struggle appeared to be the revolutionary committees and the revolution's old guard, particularly Jallud, to whom the committees are said to report; the losers were the regular military and the Qadadfa. During the General People's Congress meeting held in March, 1986, the Justice Ministry was abolished, and Jallud was given responsibility for internal security, a measure that further enhanced his position. Jallud is described as flexible, pragmatic, and—by Qaddafi's standards—nonideological. He has no independent power base, however, although he has placed some of his own Magarha tribesmen in positions of sensitivity in the military and, like all the ruling elite, he remains dependent on Qaddafi for political power.

AMERICAN-LIBYAN RELATIONS

Since it came to office, the administration of President Ronald Reagan has made no secret of its desire to see Qaddafi ousted.⁷ Indeed, the very openness of its opposition served to focus attention on the American campaign against international terrorism and against those states that are said to sponsor it. During the 1980's Qaddafi was portrayed by government officials and the mass media in the United States as a dangerous fanatic, an implacably hostile opponent of American interests, and the driving force behind international terrorism.⁸ Administration officials were quick to see Libyan complicity in terrorist incidents throughout Europe and the Mediterranean, and Qaddafi was usually happy to accept the responsibility and the attendant publicity.

Indeed, it was reported in January, 1986, that

Qaddafi said that he believed his personal prestige was enhanced by Ronald Reagan's attention.⁹ Moreover, the United States focus on Libya enhanced Qaddafi's somewhat questionable credentials as a leader of international revolution while obscuring the equally important roles of his allies in Iran and Syria.

The Reagan administration had imposed diplomatic and commercial sanctions on Libya as early as 1981. American determination to "strike a blow" against terrorists was markedly strengthened, however, by the June, 1985, hijacking of TWA flight 847 in Beirut, in which one American was killed and 39 others were held for 17 days in an ordeal that was followed in excruciating detail by the American television networks. During July, top administration officials met and agreed that while Iran and Syria had probably been more heavily involved in recent acts of terrorism, Libya was the most visible symbol of hostility to the United States. It was in this atmosphere that the United States Central Intelligence Agency (CIA) drew up a plan—which became public in news leaks in November, 1985—to topple the Qaddafi regime by encouraging dissident elements to launch a coup.¹⁰ The Egyptians were approached with the idea of joint military action that might provoke Qaddafi into a response that would either prompt internal upheavals or justify a massive American retaliation. The coolness of the Egyptian response did not dampen American enthusiasm for bringing down Qaddafi; this had become virtually an end in itself for the administration.

As the year ended, the United States charged that Libya had supported the radical Palestinian group that carried out terrorist attacks at the Rome and Vienna airports in which five Americans were killed, although American officials conceded that the evidence was circumstantial and the Europeans refused to go along with the American call for further sanctions against Libya.¹¹ There was much public discussion of unilateral military reprisals on the part of the United States, but the decision to forgo military action in favor of economic sanctions and diplomatic pressure was allegedly taken out of concern for the safety of the estimated 1,000 Americans living in Libya and the possibility of anti-American reactions in the Arab world and the loss of American lives and aircraft. Instead, all remaining commercial ties were severed, although a dozen American companies, including four oil companies, were given exemptions designed to prevent the Libyan government from reaping windfall profits in a sudden exodus. These companies did not

end their Libyan involvement until June 30, 1986.

The ambiguity these exemptions introduced into what otherwise appeared to be a policy of unrelieved hostility to Qaddafi was compounded in early January by the unauthorized visit to Tripoli of United States Ambassador to the Vatican William A. Wilson. When Qaddafi revealed to a group of Western reporters that he had spoken to an American government official, the State Department—which had been unaware of the ambassador's trip—was forced to deny that the ambassador had been authorized to speak for the United States. Since he owed his position to his longstanding personal friendship with President Reagan, Wilson was not otherwise reprimanded, however, and he stayed in Rome until May. Through Wilson and other intermediaries, including Saudi Arabia, Greece, Malta and the United Nations, Qaddafi repeatedly asked to open talks with the United States. All his requests were turned down. Administration officials believed that Qaddafi would not act in good faith.¹²

Toward the end of March, the United States began naval exercises in the Gulf of Sidra, deliberately crossing what Qaddafi, in his typically theatrical fashion, called "the line of death," the latitude that he claimed marked Libyan territorial waters. Although they were ostensibly undertaken to demonstrate the American commitment to freedom of navigation—the boundary claimed by Libya is not recognized internationally—the exercises were designed to lure Qaddafi into a foreign entanglement that would induce dissident army factions to launch a coup against the regime. In the event, after an exchange of gunfire on March 22, the United States sank two Libyan patrol boats—perhaps 40 Libyan sailors were thought to have been lost—and bombed a missile site, and the Libyans made no further military moves. There were no reports of unrest in Libya and the Americans completed their naval exercises peacefully.

On April 5, a Berlin discotheque frequented by American soldiers was blown up; one American and one Turk were killed and 200 people were wounded. The United States once again pointed the finger at Libya; and despite considerable European skepticism, administration spokesmen claimed that their evidence of Libyan involvement was irrefutable. Eventually, the source of American information—intercepted cables between Tripoli and the Libyan embassy in East Berlin—was revealed. This revelation substantially weakened American intelligence-gathering about Libya, but appeared at the time to mollify European skeptics.

(Continued on page 86)

⁹*The Times* (London), January 15, 1986.

¹⁰See *The Washington Post*, March 26, 1986. The article revealing the existence of the CIA plan was published in *The Washington Post* on November 3, 1985.

¹¹*The New York Times*, January 5, 1986.

¹²On Wilson, see *The New York Times*, March 23, 1986; on Qaddafi's requests to talk, see *The New York Times*, April 3, 1986, and May 23, 1986.

Lisa Anderson is the author of *The State and Social Transformation in Tunisia and Libya, 1830–1980* (Princeton: Princeton University Press, 1986). She would like to thank Russell Fox and Eve Rauch for their assistance in the preparation of this article.

"The forced marriage of Labor and Likud . . . survived a turbulent and challenging two years of major and minor crises, some internally and some externally caused, constant tensions, and some unpleasantness as a consequence of conflicting styles and substantive differences."

Israel's Year of Transition

BY BERNARD REICH

Professor of Political Science, George Washington University

ON October 10, 1986, during the Days of Awe between Judaism's holiest days of Rosh Hashana (New Year) and Yom Kippur (Day of Atonement), Shimon Peres resigned from the post of Prime Minister of Israel. This was the first step in the transition from a Labor-led to a Likud-led national unity government and was in keeping with the 1984 coalition agreement Peres had signed with Yitzhak Shamir, the leader of the Likud bloc. Ten days later, Shamir became Israel's Prime Minister. Israel thus reached a point that many observers had believed would not be attained; in the process, it confounded many of its critics and detractors who saw the 1984 hybrid experiment as a blueprint for national political paralysis. During its tenure in office, the national unity government had become quite popular, partly because it introduced a measure of stability into the lives of average Israelis.

In July, 1984, Israeli voters went to the polls to select members of the Eleventh Knesset (Parliament). Likud's Shamir and the Labor Alignment's Peres led their party blocs in the contest for control of the Knesset and the government. Labor was unable to capitalize on Likud's various misfortunes, including the retirement of longtime Herut and Likud leader Menachem Begin, the continued presence of Israeli forces in Lebanon, and the economic problems reflected in hyperinflation. Shamir proved able to retain much of Likud's electoral support, avoiding what many thought (and public opinion polls had earlier predicted) would be a substantial Labor victory.

Fifteen of the 26 political parties that contested the election secured the necessary one percent of the valid votes cast to obtain a parliamentary seat. The two major blocs were relatively close—the Labor Alignment secured 44 seats and the Likud 41; the remaining seats were not distributed in any clear pattern that would facilitate the formation of a new government. The results seemed partly to reflect a small but perceptible shift to the right in the electorate as a whole. In a major sense, the election results were inconclusive; no party secured a majority and no party or

grouping became the obvious choice to form and lead the next government. Israelis appeared to be divided on the key foreign policy, political, economic, social and religious issues facing the country; between those who supported Likud and those who supported Labor; and among a host of smaller parties with their own particular agendas for Israel's future.

The division in the Israeli body politic proved to be the main factor that led to and complicated the formation of the national unity government that was approved by the Knesset in September, 1984. The coalition negotiations were lengthy and complex and at their foundation were an intricate and involved series of compromises, including the rotation of the Prime Minister's position between Shimon Peres for the first 25 months of the coalition's life and Yitzhak Shamir for the second 25-month period. This was a new experiment in Israeli politics.

THE FIRST 25 MONTHS

When Peres resigned his post, he was popular in public opinion polls; his two years as Prime Minister had given him the opportunity to develop a new image. Ironically, in turning over the Prime Minister's position to Shamir, Peres added to his credibility and overcame many doubts about his trustworthiness, a long-persistent criticism of his political style.¹ He emerged as something of a statesman, with an image as a patient, skilled politician able to keep together his fractious government and to achieve his important policy goals.

Peres was credited with the withdrawal of Israeli troops from Lebanon (and the attendant drop in Israeli casualties) and the reduction of high levels of inflation; the shekel was rehabilitated; the balance of payments had improved; and exports had increased.

Unquestionably, his greatest achievement was the economic program that brought the rate of inflation down from about 445 percent a year in September, 1984, to the 25 percent range in the fall of 1986, without large-scale unemployment. The key was Peres's ability to persuade the Histadrut (the General Federation of Labor in Israel) to accept a 30 percent cut in real wages, to persuade employers to freeze wages and to control the government's fiscal and monetary

¹Peres himself hinted at this when he submitted his resignation. See his comments to reporters in *The New York Times*, October 11, 1986.

policies. Israel's success is almost unprecedented.² To consolidate these economic achievements, the Shamir-led government will have to keep the lid on spending, while trying to generate real growth.

Peres established a popular style at home and was given relatively high marks for his role in the otherwise stalemated Arab-Israeli peace process—the Jordan option and some movement on the part of King Hussein, the meeting with King Hassan in Morocco, and the resumption of the dialogue with Egypt that led to the agreement to arbitrate the Taba dispute and culminated in the summit with Egyptian President Hosni Mubarak. Peres seemed to be constantly on the move, and his visits with world leaders, at home and abroad, enhanced his image. He presided over the establishment of diplomatic relations with Spain in January, 1986, the renewal of relations with the Ivory Coast and Cameroon, and the unprecedented visit to Israel in May, 1986, of British Prime Minister Margaret Thatcher. The August, 1986, Soviet-Israeli meeting in Helsinki, Finland, and Peres's meeting with Soviet Foreign Minister Eduard Shevardnadze at the United Nations in the fall of 1986 were important, if not immediately productive. The United States-Israel free trade area agreement was adopted and wide-ranging political and strategic cooperation was sustained.³

Peres aptly summed up his tenure as Prime Minister in a message on the occasion of the Jewish New Year in October, 1986: "Altogether, there has been a change in the national style. . . . In Israel's international standing, too, we are perceived as a nation striving earnestly and vigorously for peace."⁴ Peres refurbished Israel's image abroad, in part by the nature and style of his rhetoric and action. In an address to the Knesset in early October, Peres claimed credit for various tangible successes but added the intangible. He suggested that the ideological polarization that had characterized Israel in the early 1980's had been replaced by faith in Israel itself and its future, and he hinted at further achievements because of the groundwork laid during his administration for the Arab-Israeli peace process.

The forced marriage of Labor and Likud (and its linkage with several small, mostly religious parties) survived a turbulent and challenging two years of major and minor crises, some internally and some externally caused, constant tensions, and some unpleasantness as a consequence of conflicting styles and substantive differences. During much of the period, the dominant

²See Stanley Fischer, "Israeli Inflation and Indexation," in Bernard Reich and Gershon R. Kieval, eds., *Israel Faces the Future* (New York: Praeger, 1986), pp. 93–119.

³See Joseph Pelzman, "The Effect of the U.S.–Israel Free Trade Area Agreement on Israeli Trade and Employment," in *ibid.*, pp. 140–175.

⁴Text provided by the Embassy of Israel, Washington, D.C.

question was whether the coalition would endure and whether or not Labor would honor the agreement to rotate the posts of Prime Minister and foreign minister.

Peres's resignation ended the speculation. Consistent and strong popular support for the national unity government, despite opposition to some of its (particularly economic) programs, contributed to its successes and helped to ensure its longevity by checking the impulses of politicians in both major camps to create crises that might bring down the government and force early elections. No politician wanted to be seen as flouting the popular will and acting counter to the popular desire to sustain the government in power for its intended term.

The experience suggests a number of conclusions. The national unity government proved able to deal with issues on which there was agreement between the partners and on which there was a broad national consensus (such as coping with hyperinflation and withdrawing from Lebanon). At the same time no major initiative or bold action proved possible in those areas where there was discord on the elements of policy, such as the peace process. The need for compromise prevented any dramatic changes or fundamental alterations in the way Israel acted. It helped to promote stability and a common perspective—there were concord and compromise, but there was no daring leadership, no clear direction of leadership.

The lack of leadership and the need to give priority to considerations of national security were particularly apparent in the Shin Beth affair. Shin Beth, Israel's security service, performs the approximate functions of the Federal Bureau of Investigation (FBI) in the United States. Attorney General Yitzhak Zamir asked the police to examine evidence that Avraham Shalom, head of the Shin Beth, covered up the involvement of his agency in the deaths of two Palestinian bus hijackers in April, 1984. Peres failed to act decisively to end the affair; instead Cabinet ministers led by him tried to block the attorney general's moves and prevent a policy inquiry. Opponents of an inquiry argued that it would be harmful to Israeli security and its anti-terrorist efforts. Zamir would not relent, arguing that it was a legal matter. His resignation, which had been submitted earlier, was accepted by the Cabinet, which appointed Yosef Harish to replace him in early June. Motions of no confidence in the government were easily defeated in the Knesset in late May, 1986. Public opinion appeared to support the initial Peres perspective concerning the importance of not disrupting Israel's security services, but later there was concern about the coverup. In late June, Shalom resigned his post and President Chaim Herzog granted immunity from prosecution to him and several of his deputies. But the matter continues to trouble the national unity government even after the rotation.

As stipulated in the 1984 coalition agreement, in

October, 1986, Peres became foreign minister and Yitzhak Shamir returned to the post of Prime Minister that he had held after Begin's resignation in September, 1983. The 25-member Shamir Cabinet was almost identical to the Peres Cabinet. Among the changes was the inclusion of Shoshana Arbeli-Armoslino (Labor) as minister of health, replacing Mordechai Gur, who refused to serve with Shamir. Zevulun Hammer of the National Religious party (NRP) replaced Yosef Burg (also of NRP) as the minister of religious affairs.

There was a question concerning Yitzhak Modai's position in the new Cabinet. Modai had been finance minister at the beginning of the national unity government, but was later shifted to the post of justice minister and then was ousted from the Cabinet after he challenged and publicly criticized Peres. Likud sought to restore him to power, but Labor objected, and eventually he became minister without portfolio. Likud also sought additional responsibilities for Moshe Arens, who served as minister without portfolio. The rotation was delayed by disagreements that were somewhat typical of the first 25 months of the national unity government, and although various compromises were engineered, the issues may well affect the orderly functioning of the new government.

There were also disputes over sub-Cabinet appointments, including the post of the ambassador to Washington. With his shift to the foreign ministry, Peres took with him many of his advisers, and he replaced the ministry's two most senior professionals, director general David Kimche and deputy director general Hanan Bar-On. Compromises averted a major crisis and permitted a relatively smooth transition. On October 20, 1986, the Knesset approved the new government by a vote of 82 to 17 with 3 abstentions (including 2 dissenting Labor members).

The new Prime Minister is very different from his predecessor and even from his political "mentor," Menachem Begin. Shamir joined the Herut party in 1970, was elected to Parliament in 1973 (and reelected in subsequent elections), and became the Speaker of the Knesset in 1977. After Moshe Dayan's resignation from the Begin government, Shamir became foreign minister in March, 1980, a post he held until he became Prime Minister in 1983.

In his presentation of the new government to the Knesset, Shamir outlined the tenets of his administration and noted that he was presenting a govern-

ment of continuity: "the second term of the national unity government." Nevertheless, he noted potential areas of discord in the Cabinet:

If there are disputes amongst us regarding the ways and methods which should be adopted in our drive for peace, these disputes concern the tactics, not the substance or goal.⁵

Shamir went on to reaffirm the main principles of the 1984 government guidelines, which he then quoted:

The government will continue to place the aspiration for peace at the top of its concerns, will act to continue the peace process according to the framework agreed upon in Camp David, and will call on Jordan to open peace negotiations. The basic guidelines also stated that Israel will object to the establishment of another Palestinian state in the Gaza Strip and in the area between Israel and Jordan and that Israel will not negotiate with the PLO.⁶

Shamir also made it clear that peace must be achieved through a "free, direct dialogue" and that "no international forum can serve as a substitute for direct negotiations."

Despite these comments, Shamir's path as Prime Minister is not precisely clear.⁷ The area of greatest potential difference between him and Peres is foreign policy, particularly the peace process. Shamir supported the bombing of the Iraqi nuclear reactor in June, 1981, the "annexation" of the Golan Heights in December, 1981, and the war in Lebanon. He opposed the Camp David accords (and abstained in the Knesset vote, in part because the accord required Israel to dismantle the Sinai settlements) and the Egyptian-Israeli peace treaty and, within the Cabinet, he was opposed to the decision to withdraw the army from Lebanon. Still, he has hinted that these and other past actions are not necessarily guidelines for future policy.

He believes that Israel should maintain its presence on the West Bank and seems unwilling to relinquish any part of the Golan Heights, the Gaza Strip, and the West Bank (referred to as Judea and Samaria), where he supports the continued construction of settlements. Nevertheless, he appears to want to find some form of working arrangement.⁸ He has suggested that the peace with Egypt must be stabilized and strengthened while the arena of peace must be enlarged to include other regional states.

CONTINUITY AND CHANGE

The Peres-Shamir rotation in October, 1986, once again raised the question of whether the national unity government would survive its intended tenure.

Leadership of the parties is not certain. Challenges to Shamir in Likud from Ariel (Arik) Sharon and David Levy are likely. Begin's unique role and political mantle have not been assumed by Shamir, who lacks Begin's charismatic leadership. The Herut party convention

⁵Foreign Broadcast Information Service, *Daily Report: Middle East and Africa*, October 20, 1986, pp. 11-14.

⁶Ibid.

⁷For further elaboration on Shamir and his potential programs and policies see Bernard Reich, "The Shamir Government: Policy and Prospects," *Middle East Insight*, January-February, 1984.

⁸See the interview in *The New York Times*, October 21, 1986.

of March, 1986, collapsed in chaos, demonstrating Shamir's lack of firm control and the potential strength of his chief rivals in the party. The potential for change exists in Labor as well. Yitzhak Rabin remains a powerful and probably determined challenger to Peres, although he appears to have accepted his status as defense minister, at least for the time being.

In the calculations of the future there are also new political forces. In recent years, there has been growing interest in and some concern about the potential polarization of Israeli society and its political framework. A good deal of attention has been paid to emerging Oriental political power as well as to the religious tensions and the apparent rightward movement of the entire body politic—as reflected in such phenomena as the emergence and growth of the Kach party under the leadership of Rabbi Meir Kahane.⁹

THE QUEST FOR PEACE

The quest for peace and security is at the core of Israel's external policies and in this area there are real policy differences between Labor and Likud. Peres is committed to a Jordan option and territorial compromise concerning the West Bank and the Gaza Strip. Shamir is inclined toward the concept of Israeli retention of all of Eretz Israel (Greater Israel) and thinks in terms of Jewish settlements and settlers in the West Bank and Gaza. The likelihood is that any actions will remain within the guidelines established by the 1984 coalition agreement, that is, there will be some new settlements and others will be "finished" by increasing the Jewish population in the territories. Other peace-related issues could also serve as a dividing wedge.

The summit between Prime Minister Shimon Peres and Morocco's King Hassan was an important event, but it had no short-term results. It was an important milestone in part because it marked a public and official meeting between a sitting Arab leader and a senior Israeli.

The "cold peace" between Israel and Egypt improved to the point where Peres and Egyptian President Hosni Mubarak could meet at Alexandria in September, 1986, the first summit meeting between an Egyptian and an Israeli leader since 1981 and the first such meeting for Mubarak. Although the summit was not of major value to Peres or to the peace process, Israel and Egypt were able to move toward agreement on a number of issues outstanding between them.¹⁰ Egypt's agreement to return its ambassador to Israel (who had been withdrawn in the wake of the Shatilla

and Sabra refugee camp massacres in September, 1982) was important. After years of dispute over the status of Taba, a small area along the border between Israel and Egypt, Egyptian and Israeli negotiators reached agreement in September, 1986, on a formula for settling the matter through arbitration, with the assistance and involvement of United States Assistant Secretary of State Richard Murphy.

While there was some accord, the summit highlighted the wide gap between Egypt and Israel with regard to the peace process and the Palestinians. The summit improved the atmosphere; but despite the declaration that 1987 would be a year of negotiations for peace, there was little substance. Israelis remained disappointed in the quality of the peace with Egypt—the content of peace and the normalization of relations between the two states have never met Israelis' (probably inflated) expectations.

Although Israel gained peace with its mightiest neighbor (with whom it had fought five wars in the 25 years from 1948 to 1973) and the threat of future war along that border had been all but eliminated, the positive aspects of peace and normalization, like trade, tourism and cultural exchanges, had not followed.

The danger of war with Syria remained a possibility; both states developed massive military arsenals and faced each other across the small and fragile frontiers between them—especially in the Golan Heights and across an imprecise "red line" established in Lebanon in the mid-1970's. Syria has tried to achieve strategic parity, and the development of its capability raises questions about the potential danger of war. Nonetheless, no direct clash resulted and both nations seemed reluctant to engage in a conflict that would be costly for both states, regardless of the outcome.

Peres claimed success in the withdrawal of most of the Israel Defense Forces (IDF) from Lebanon; but the problem for Israel was to avoid reinvolverment. Peres and Defense Minister Yitzhak Rabin were restrained in dealing with the rocket attacks on Israel's northern border that followed the army's pullout, and they tried to convince Israelis to accept the less-than-perfect security situation. Despite the withdrawal and the reduction in IDF casualties, the problems that led

(Continued on page 87)

Bernard Reich is the author of *Quest for Peace: United States-Israel Relations and the Arab-Israeli Conflict* (New Brunswick, N.J.: Transaction Books, 1977); *The United States and Israel: Influence in the Special Relationship* (New York: Praeger, 1984); and *Israel: Land of Tradition and Conflict* (Boulder, Colo.: Westview Press, 1985). He is editor of *Government and Politics of the Middle East and North Africa*, 2d ed. (Boulder, Colo.: Westview Press, 1986) and coeditor of *Israel Faces the Future* (New York: Praeger, 1986).

⁹See Maurice M. Roumani, "Labor's Expectation and Israeli Reality: Ethnic Voting as a Means Toward Political and Social Change," and Renee Taft, "Ethnic Divisions in Israel," in Reich and Kieval, eds., op. cit., pp. 57-92.

¹⁰For the text of the joint statement issued at the end of the summit, see *The New York Times*, September 13, 1986.

"At present, Jordan is reacting to Israeli threats, American blandishments, falling Arab economic support, growing Syrian strength, the probability that Iran will outlast Iraq in the ongoing Iran-Iraq war, and PLO organizational weakness brought on by the Syrian-supported revolt against Arafat."

Jordan's Malaise

BY MARY C. WILSON

Assistant Professor of History, New York University

ON the surface, life in Jordan today appears normal. The streets of Amman and other towns are safe for foreigners and citizens alike. The schools have opened peacefully and on time despite the violence of 1986 at Yarmuk University. The economy, if not as bullish as it was in the early 1980's, is holding its own in the face of dramatically falling oil revenues and a consequent dilution in the transfusion of capital from the Arab oil states. Relations with neighboring states, including Syria and Israel, seem to be built on mutual, if unspoken, understanding.

Yet just beneath the gloss of normality, unease reigns. The word *mukhabarat* (the generic term for all branches of internal security) is on everyone's lips. There are rumors of wiretaps, confiscated passports and other forms of restricted personal liberty. Journalists have been blacklisted. No one yet knows how many students were killed in the demonstrations at Yarmuk University; the official figure of three is universally felt to be too low, and rumor has the dead as high as 30. American institutions feel threatened by unseen forces waging systematic campaigns of intimidation. A few financial establishments have gone bankrupt; a leading money changer has committed suicide. King Hussein's health, after his recent stomach operation in London, leads to more speculation on Jordan's future.

Many ingredients have contributed to the current malaise in the Hashemite kingdom. But without doubt the chief cause is the direction King Hussein has taken toward the occupied territories of the West Bank and Gaza. On February 19, 1986, in a more than three-hour speech televised in Jordan and the territories, he announced "that we are unable to continue to coordinate politically with the PLO [Palestine Liberation Organization] leadership."¹ The speech brought to a

close a four-year effort to convene a peace conference that would include the PLO in a joint delegation with Jordan. After the Israeli invasion of Lebanon in 1982, the mainstream PLO under chairman Yasir Arafat had sought to gain access to the international arena through association with Jordan; Jordan, for its part, had tried to strengthen its image in the Arab world, enhance its standing in the occupied territories, and secure arms from the United States by clearing a path toward a peace settlement.

Hussein blamed Arafat for the break, accusing him of not keeping his promise to accept United Nations Resolution 242, the precondition set by the United States for the inclusion of the PLO at the peace conference.² Afterward Hussein inaugurated an effort to undermine Arafat and to encourage a new Palestinian leadership in the occupied territories.

In his criticism of Arafat, Hussein was careful not to attack the PLO outright. Rather, he charged that Arafat and his Fatah wing of the PLO were more concerned with perpetuating their own power than with regaining Palestinian land, and he advised Palestinians to find new leadership. He began to close down Fatah offices in Jordan, which had reopened only a year earlier, to arrest and expel Fatah representatives from Jordan, and to restrict the movements of Arafat's supporters. In order to give substance to this nicety of distinction between Fatah and the PLO, he allowed a few non-Fatah PLO offices in Jordan to remain open, notably those taken over by Fatah renegade Atallah Atallah.

In the occupied territories, Hussein has begun to initiate programs to create a more "moderate" leadership. A new newspaper, *Al Nahar*, has appeared in East Jerusalem, bankrolled by Jordan. It maintains that a silent majority in the West Bank is disillusioned with the PLO and favors Hussein, and it claims to give voice to that majority. Jordan has also announced a development plan for the occupied territories that calls for the investment of about \$1 billion over five years. Given Jordan's current financial woes, however, the plan may not be able to meet its budget. It has also taken on the appearance of a way to buy support.

¹Official translation of King Hussein's television address to the nation, February 19, 1986 (Washington, D.C.: Jordan Information Bureau). On Jordanian-Palestinian relations through 1983 see Adam M. Garfinkle, "Jordanian Foreign Policy," *Current History*, January, 1984.

²Resolution 242 stipulates Arab recognition of Israel and the withdrawal of Israel from all territories occupied in 1967. It does not recognize the Palestinian right to self-determination.

Thus far, the effect of Hussein's policy has been to distance the occupied territories from Jordan rather than to distance the occupied territories from Arafat. In the face of Hussein's hostility, the inhabitants of the occupied territories have united in support of Arafat and the PLO.

That Hussein miscalculated in attacking Arafat was soon apparent. On March 2, Zafir Masri, the Israeli-appointed and Jordanian-approved Arab mayor of Nablus, was assassinated. In office since December, 1985, he was the first of what were to be four Israeli-appointed mayors whose nominations were to be coordinated with Jordan. He was identified politically as close to Jordan (his family has had a long association with Jordan and his nephew is Jordan's current minister of foreign affairs) and as a supporter of the PLO. Hussein's speech, however, made that duality impossible to maintain. Forcing Palestinians to choose between Hussein and Arafat created high levels of tension in the occupied territories and in Jordan itself, where 60 percent of the population is Palestinian in origin.

Responsibility for Masri's assassination was claimed by two different Palestinian groups: the terrorist group associated with the sinister figure known as Abu Nidal and the Marxist Popular Front for the Liberation of Palestine. Right-wing leaders in Israel, notably Benny Katzover, the head of the organization of Jewish settlers in the West Bank, analyzed the deed as "good for us" since it put "an end to the development of local Arab leadership."³ But these are examples of only the most extreme (and expected) sources of opposition to Hussein's current policy. What was most damaging for Hussein's hopes was the manner in which Masri was mourned. His funeral in Nablus was the occasion of the largest Arab nationalist demonstration ever held in the occupied territories. His body, draped in the outlawed Palestinian flag, was carried through the streets of Nablus where 15,000 to 20,000 mourners-cum-demonstrators had gathered, waving illegal flags and pictures of Arafat, also prohibited by the Israeli authorities.

The assassination put a crimp in Israeli and Jordanian plans to install Palestinian mayors who might form the vanguard of a new leadership in the occupied territories. Three men slated for appointments immediately withdrew. Without a stratum of local officials, Hussein's development plan for the occupied territories would have an unmistakable air of personal patronage.

But in September, when Israel finally installed three Palestinians as mayors of Hebron, Ramallah and al-Bireh with Jordanian approval, Hussein appeared to have scored a victory. The opening of a branch of the Jordanian Cairo-Amman Bank in Nablus in Novem-

ber, 1986, the first Arab bank to operate on the West Bank since 1967, created a local and easily accessible institution for the distribution of funds. Under parallel supervision by Jordan and Israel, it was another symbol of mutual Israeli and Jordanian interests. Jordan also plans to lift the trade ban on most products from the occupied territories to increase their economic integration with Jordan. And Jordan will allow the purchase of manufactured goods made with raw materials and machinery imported through Israeli ports.

What appears to be emerging in the occupied territories is a joint Israeli-Jordanian condominium in which Jordan is to be very much the junior partner. Both countries apparently intend to slip the new policy into place without calling forth an official denunciation from the Arab states. Although the United States and Israel have much to gain and little to lose in such a plan, it is a dangerous strategy for Hussein. The Arab world and the occupied territories see that Hussein is at odds with the Arab consensus reached at Fez in 1982. (The position adopted at that time by most Arab governments, including Syria, Jordan and the PLO, called for a peace process built on the recognition of all the states of the region, including Israel, and the Palestinian right to self-determination.)

Hussein justifies his present policy by raising the specter of the Israeli expulsion of Palestinians from the West Bank. But one also senses Israeli and American pressures. For example, the September, 1985, Israeli bombing of Tunis, then the center of PLO activities, was a not subtle hint that Israel frowned on the reestablishment of PLO offices in Amman. As for the Americans, just before Hussein broke off relations with Arafat, President Reagan had decided not to forward a request for military aid for Jordan to Congress. Since 1982, Jordan had been trying to secure mobile surface-to-air missiles and F-15 fighter planes from the United States. The American administration would have liked to sell these arms to Jordan, but its arms requests rarely make it to Congress, owing to the opposition of the Israel lobby. (Indeed, for two and one-half years the United States financed the training and equipping of a Jordanian mobile strike force by a hidden appropriation. The appropriation was killed in mid-1983, when news of the force was leaked, reportedly by high-ranking Israelis.)

Because of the difficulty in receiving American arms, Hussein has turned to other arms suppliers, including the Soviet Union. And anger over his failure to secure weapons led Hussein to drop the 1982 Reagan peace plan (which had originally enticed him by suggesting self-government for the Palestinians of the West Bank and Gaza in association with Jordan). Rather, he called for an international peace conference, including the Soviet Union. Yet when the United States announced that it would not submit its latest request for arms

³Henry Kamm, "West Bank Mayor, Named by Israel, Killed by Gunman," *The New York Times*, March 3, 1986.

for Jordan to Congress, Hussein said little, but a week later he broke off relations with Arafat. Had Hussein been told that arms would be forthcoming if he dropped Arafat? If so, he was disappointed.

The United States also provides financial aid to the occupied territories to encourage a Jordanian-Israeli condominium there. It already provides some \$14 million a year, which is channeled through five private American volunteer organizations and allotted to various projects vetted by Israel. In 1986, it gave an additional \$5.5 million to be funneled to the territories through Jordan. How far the United States will finance Hussein's development plan is still under discussion, although it has been hinted that American funds to the occupied territories sent via Jordan would match the \$14 million that Israel already oversees.

The possibility that Jordan and Israel, with American support, will be able to undermine the PLO and create an alternative and viable leadership in the occupied territories seems shaky at best. The success of the present joint attempt depends on Hussein's ability to dissemble and on a continuing Jordanian and Syrian interest in undermining Arafat. But Jordan and Syria agree on nothing beyond this. Notably, they do not share a single vision about the future of the Palestinians. Their shared interest in undermining Arafat does not extend to the support of an alternative leadership.

Finally, and perhaps most important, there is no guarantee that an alternative Palestinian leadership will be more amenable to Jordanian, Israeli and American wishes. Indeed, given the experience of the youth of the occupied territories, any leadership that emerges after Arafat will probably be more radical. A recent poll conducted in the occupied territories by the East Jerusalem newspaper *Al Fajr*, the Australian Broadcasting Company and *Newsday* found that 93 percent regarded the PLO as "the sole and legitimate representative of the Palestinian people," 85 percent felt that the United States played a negative role in peacemaking, and 60 percent believed armed struggle to be the most effective tactic in achieving Palestinian aspirations. Only 3 percent saw King Hussein as the leader of choice. Over half the population of the occupied territories is less than 21 years old. Correlating age with answers, the poll reported that young Palestinians advocate positions much more uncompromising than those currently held by Arafat.⁴

JORDAN AND THE ARAB STATES

During Jordan's formative years under a British mandate, Britain supplied the necessary funds and

imposed a regional system of which Jordan was a necessary part. With the waning of British power after World War II and the destruction of Palestine in 1948, Jordan forged a new community of interests built on Jordan's takeover of the West Bank and its assumption of responsibility for the day-to-day care and feeding of the largest group of Palestinians under one government. (The rest were scattered in Israel, Lebanon, Syria and Egypt.) By providing for the immediate social and economic needs of the Palestinians, Jordan was able to deflect Palestinian political grievances. In place of its British subsidy, Jordan was aided by the Arab states, the United States and the United Nations.⁵ Even after the 1967 war, when Israel came to rule more Palestinians than Jordan did, Arab interest in Jordan's role vis-à-vis the Palestinians remained intact.

The civil war in Jordan in 1970–1971, when Hussein first ejected the PLO from Jordan, shook this regional consensus. For a time, Hussein was held at arm's length by the Arab states, and Jordan's budget was shored up by the United States. But Hussein accepted the 1974 Rabat decisions that recognized the PLO as the sole legitimate representative of the Palestinians and, later, opposed the agreements at Camp David; thus he found his way back into the regional consensus. The year before the Baghdad summit, Hussein had received \$98.5 million from the United States. At the Baghdad summit of 1978, which was called to formulate a response to Camp David, Hussein was promised \$1.25 billion a year in aid from the Arab oil states. By 1981, United States aid had fallen to \$10 million.

The Arab oil states never completely fulfilled their undertakings, which amounted to more than half of Jordan's annual budget. Libya never paid its share; Algeria stopped paying after the first year. Since then, the crisis of falling oil prices and the Iran–Iraq war have made it increasingly difficult for the rest—Saudi Arabia, Kuwait, Iraq, the United Arab Emirates and Qatar—to meet their commitment. By 1984, the Central Bank of Jordan estimated that Arab aid had slipped to \$305 million. In the meantime, American aid to Jordan began to climb. In 1983 and 1984 Jordan received \$20 million a year from the United States, and in 1985 the United States considered boosting this amount to \$100 million a year (exclusive of military aid).

At present Hussein's closest Arab ally is Iraq. In September, 1980, when Iraq declared war on Iran, Jordan immediately declared its support for Iraq. It created a 2,000-man volunteer force to go to Iraq and collected \$3 million in contributions to support it. More important, its port at Aqaba became the chief port of entry for Iraqi imports. Port facilities and roads between Jordan and Iraq were consequently upgraded. Jordanian exports to Iraq jumped from \$39

⁴*Al Fajr Weekly*, September 12, 1986.

⁵See Mary C. Wilson, "A Passage to Independence: King Abdullah and Jordan, 1920–1951," in Edward Ingram, ed., *National and International Politics in the Middle East* (London: Frank Cass, 1986), pp. 187–205.

million in 1979 to \$189 million in 1981. By 1983, however, Iraq was unable to keep paying for such a high level of imports. A system of barter was then introduced whereby Jordanian goods and reexports to Iraq are paid for by Iraqi oil sent in trucks to Jordan's sole refinery at Zarqa. This has enabled the government to repay individual Jordanian companies that, with government encouragement, provided goods and services to Iraq.

As the Iran-Iraq war grinds on, the economic benefits to Jordan of increased business with Iraq have tapered off and there is increased nervousness about the fate of Jordan's ally. Although Jordan is not likely to withdraw support from Iraq because of their mutual interest in containing Iran's revolutionary Islamic appeal, some have seen in Hussein's recent rapprochement with Syria an element of concern about the outcome of the Iran-Iraq war. Indeed, Hussein has been working to effect a rapprochement between Syria and Iraq: Syria supports Iran, which at present seems to have the upper hand, and Hussein may be seeking a path for Iraqi retreat or insurance for himself in case the regime of Iraqi President Saddam Hussein does not survive.

ECONOMIC CONCERNS

Aside from Hussein's policy toward the occupied territories, the issue that worries Jordanians most is the economy. The government is the biggest employer, the biggest spender and the biggest financier. The private sector is active when the government has money to spend, sluggish when it does not.⁶ Hence falling oil prices that have caused declining subsidies from the Arab oil states have brought on a slowdown in the Jordanian economy. In addition, the rate of remittances sent home by Jordanian workers in the Gulf has leveled off at about \$1 billion a year. This rate itself is inadequate, and after a period when the rate increased threefold in six years, it signals a time of slowed growth and decreased economic expectations. The gross domestic product expanded 12 percent a year between 1978 and 1984; but it has now slowed to 4 percent a year. This is an acceptable level in absolute terms, which is how optimists like to view it, but a setback in the relative terms preferred by pessimists.⁷

Optimists and pessimists also differ on their reading of unemployment figures. Neither are happy about the current figure of 12 percent. But optimists believe

⁶Nadia Hijab, "Learning to Live with Recession," *The Middle East*, October, 1986.

⁷For an optimistic view of Jordan's future in terms of its economy and other areas see Arthur R. Day, *East Bank/West Bank* (New York: Council on Foreign Relations, 1986). For a pessimistic view see Robert B. Satloff, *Troubles on the East Bank: Challenges to the Domestic Stability of Jordan* (Washington, D.C.: Center for Strategic and International Studies, Georgetown University, 1986).

that the number of Jordanians working in the Gulf will not decline precipitously, because the demand for their skills is expected to remain constant. Pessimists fear the combination of high levels of education and under- or unemployment, which they see as a consequence of the freezing of the Gulf job market and the expansion of Jordan's educated manpower. Recent graduates are finding it increasingly difficult to find jobs appropriate to their level of education. Women, the section of the labor force that is traditionally expanded or contracted according to need in East and West alike, are particularly hard hit. In the 1970's, ideologies of modernization and secularization helped to integrate women into the expanding work force. In the 1980's, conservative Islamic ideologies work against women in the work force. Jordan imports cheap labor for menial jobs, but getting rid of these workers will not mitigate the problem of unemployment for educated Jordanians.

The government hopes to solve the unemployment problem by expanding the agricultural and service sectors of the economy. Because of past boom years, much of the infrastructure for service expansion is already in place. Yet it is not clear how far services can be expanded, given falling oil prices. As for agriculture, Jordan would like to lessen its dependence on food imports and create more jobs, but some doubt the overall wisdom of using up irreplaceable underground water reserves to do so.

Jordan is poor in natural resources, making a switch to industry impossible. Oil fields have been discovered near the Azraq oasis, but their capacity has not yet been determined. Phosphate is the only proven exploitable resource. Phosphate exports are Jordan's single largest source of export earnings, accounting for one-third of the state's total export earnings. The government has invested vast sums in the Jordan Phosphate Mines Company, which is 90 percent government-owned and is the largest single industrial employer in Jordan. Unfortunately, the price of phosphate, like that of oil, has dropped.

DOMESTIC POLITICS

Jordan's parliamentary life is intimately bound up with Jordan's policies toward the Palestinians. But given the suppression of political parties in Jordan, censorship, the outlawing of trade unionism, and the pervasive *mukhabarat*, other impulses are at work as well. The last Jordanian elections were held in 1967, just before the 1967 war. Since then, Jordan has been ruled by martial law. In 1974, Parliament was pro-

(Continued on page 84)

Mary C. Wilson teaches modern Middle Eastern history at New York University. Her book, *King Abdullah, Britain and the Making of Jordan*, will be published by Cambridge University Press in the fall of 1987.

"Economic deterioration, increasing dependence on external support, and setbacks in regional policies create explosive conditions for Egypt's Mubarak. Yet explosive situations do not necessarily produce revolutionary outcomes."

Egypt: Repression and Liberalization

BY HAMIED ANSARI

Associate Fellow, Center for Middle Eastern Studies, University of Chicago

RECENT media reports and reasoned articles convey the impression that Egypt is on the brink of a terrible upheaval.¹ Strikes by unionized workers and professionals, bomb explosions in Cairo attributed to Muslim militants, and the insurrection of paramilitary police recruits in February, 1986, all indicate a rising tide of organized violence against the state. The causes are deteriorating economic conditions, demographic changes and a population explosion, social dislocation and alienation, skewed income distribution and an acute sense of relative deprivation. A series of diplomatic setbacks reflected in the stalemated peace process with Israel, dependence on the United States, and Egypt's isolation amid deepening rifts in the Arab world have also contributed to the recent violence. It is curious that, following the collapse of the Pahlavi dynasty in Iran and the civil war in Lebanon, the dominant view of mass inertia is now eclipsed by the specter of revolutionary change in Egypt.

The uprising of paramilitary recruits belonging to the Central Security Forces in February, 1986, led to speculation that cataclysmic events were in store for Egypt. The rebellious recruits went on a rampage, destroying tourist hotels and causing extensive damage to public and private properties. The uprising reinforced the conventional view that authoritarian regimes are inherently unstable and must use coercion to maintain public order.

Political developments in Egypt call for a different understanding of the underlying causes of repression. Egypt's frequent resort to repression in the past two decades accompanied political and economic liberalization. In the aftermath of Egypt's defeat in the 1967 war and Israel's occupation of the Sinai, the weakened regime of Gamal Abdel Nasser had no alternative but to heed the political aspirations of the long-

¹Paul Jabber, "Egypt's Crisis, America's Dilemma," *Foreign Affairs*, Summer, 1986. Hirsh Goodman, "The Terrible Tide: Is Egypt Next?" *The New Republic*, March 24, 1986. "Will Egypt Erupt?" *The Middle East*, August, 1986. "Scowl on the Sphinx: There Is a Growing Crisis in Egypt," *The Economist*, August 2, 1986.

²See for example the *Middle East Times*, June 29-July 5, 1986.

repressed urban elites. Political liberalization, however, led to strikes and demonstrations by workers and students for the first time since the Nasser regime consolidated its power in 1956. Because of these protests, the apparatus of the Central Security Forces (the instrument of crowd control as distinguished from the regular police) was formed under the direct supervision of the Ministry of the Interior.

The initially modest force had grown by the time of the food riots in 1977 into a force of 320,000, of whom 120,000 were stationed in greater Cairo. Dressed in black uniforms, steel-helmeted and carrying obsolete rifles and submachine guns, the recruits stood guard outside foreign missions and public buildings. The impressive size of the Central Security Forces, which in sheer numbers came to rival the regular army and the police, coincided with the negative reaction of the lower classes to the economic open door policy (the *infitah*), and the positive reaction of urban-based elites to limited political participation. The culmination of these two movements took place during the food riots in January, 1977, and in the following year during the formation and dissolution of the New Wafd party. Both movements were finally repressed.

The more the regime leaned toward political and economic liberalization, the more frequent and intense were the protests among the lower classes. These protests intensified in the months of January and February—the months of *muanaḥ* or suffering, as they were described by the regime of President Anwar Sadat. The February, 1986, insurrection of the Central Security Forces was an ironic twist in a policy that was largely dependent on repression to contain social unrest among the lower classes. The recruits were drawn from the same strata as the peasants and rural migrants whose violent expressions of social grievances in urban settings demanded the disciplining hand of the authorities.

Much of the discussion on the unproven links between the grievances of these recruits and Islamic militancy among the lower classes, as it was circulated in the press,² was apparently based on the homogeneity of their social backgrounds and the common objects of their attack; nonetheless, the government

dismissed these links as false, and some prominent Muslim fundamentalists issued vehement denials of any connections. Casinos, luxury hotels, limousines and restaurants—signs of affluence and allegedly lax behavior stimulated by the policy of *infitah* in contradistinction to the misery and deprivation of the lower classes—were gutted or severely damaged. These had always been attacked when social discontent reached the explosive point. Before the military coup in 1952 and during the food riots in 1977, urban extremism was similarly directed against tourist havens and hideouts frequented by opulent Egyptians. Nonetheless, neither social homogeneity nor the pervasive influence of Islamic militancy among the lower classes should obscure the fact that the insurrection was a limited and isolated episode.³

The grievances of the intelligentsia and the long-suppressed elites centered on their limited opportunities under both the economic and the political *infitah*. President Hosni Mubarak's predecessors had been zealous about the ruling party's hegemonic control, mobilizing traditional elites in the countryside and coopting groups or associations in large towns and cities. The mobilization strategy, however, imposed serious limits on political competition; and weak, urban-based parties emerged. Nonetheless, Sadat was more concerned about the liberal aspirations of the old elites and bourgeoisie than the parties created to play the role of loyal opposition.

The government's skittish attitude toward political liberalization was reciprocated by the New Wafd, which suspected that limited participation was a disguise for the authoritarian character of the regime. Liberal ambivalences came to a sorry end during the general crackdown on secular and religious opposition in September, 1981. With hindsight, it can be seen that Sadat's resort to repression was more the result of a loss of nerve than a true assessment of the challenge.

These countertendencies of repression and liberalization in Egypt's domestic developments ran parallel to changes in its foreign policy orientations. Egypt's break with radicalism had its beginnings in 1969, when Nasser began mending relations with conservative Arab regimes. He diluted the regime's revolutionary rhetoric, questioned the utility of armed struggle against Israel without active Arab cooperation, and voiced interest in lessened dependence on the Soviet Union and a rapprochement with the United States. These processes deepened and climaxed in November, 1977, with Sadat's visit to Jerusalem and the Camp David accords and the peace treaty with Israel in 1979.

All these changes in policy orientation were accomplished at the cost of Egypt's isolation in the Arab

world. This radical transformation in regional policy could only be justified by domestic and international success; Sadat deliberately linked solutions to complex regional issues with the attainment of prosperity at home. Thus, when the peace process faltered and the domestic economy failed to show any visible improvement, the opposition grasped the opportunity to declare that Sadat had gambled far too much in exchange for a dubious peace with Israel. By the time Mubarak assumed power, economic rationalization, political liberalization and the peace process had come to a grinding halt.

During his tenure, Mubarak added new political dimensions to old values and practices. The political order, while retaining the mobilization formula, moved one step down the path of competitive politics, facilitated by parallel electoral systems. The mobilization formula ensured the hegemony of the ruling party, the National Democratic party (NDP), by means of elections to the local councils (the popular organs in the local government) and to the Advisory Council (an upper chamber with ill-defined legislative functions that exercises control over the official mass media). In the 1980 elections, the NDP won a total victory; in anticipation of this all but one of the minority parties withdrew from the elections. These elections to the local councils and the Advisory Council were repeated in 1986 with similar results, despite vehement opposition and a call for an election boycott.

Unlike Sadat, however, Mubarak showed some reluctant liberal inclinations with a new electoral system to govern elections to the expanded People's Assembly. The new procedure introduced elections by party slates and proportional representation, both of which heralded a departure from the traditional districts and elections by majority. The main drawback to the new system was the imposition of a limit on proportional representation reflected in the elimination of all the parties that had won less than 8 percent of the votes cast in the national elections in 1984. The New Wafd, in alliance with the Muslim Brotherhood, emerged as the main contender in the Assembly, winning 13 percent of the seats.

The compromise between the mobilization and the participation formulas reveals an imbalance of forces apparent in the hegemony of the NDP in all the provinces and weak, urban representation for the opposition. This hegemony might have remained unaffected or perhaps enhanced had the regime allowed the fragmented urban-based political parties unrestricted representation in the Assembly. Moreover, had the regime shown more tolerance toward the minority parties, it would, in all probability, have provided the nebulous Islamic groups alternative institutional arrangements for the expression of their social grievances.

The virtue of the compromise lay in eschewing

³In December, the government announced that it had uncovered a plot to overthrow the government in April; militant Muslims, including 4 military officers, were involved. The militants were said to belong to the Islamic Jihad.

repression to contain the opposition. The tense situation created by the 1986 insurrection of the Central Security Forces had caused many anxious moments for the government and the parties in opposition. Nonetheless, both showed a great deal of tolerance in contrast to the recriminations exchanged during the mass uprising in 1977. Mubarak did not accuse the opposition of fomenting social unrest. On the contrary, in a rare display of political acumen, the Mubarak regime acted in concert with the opposition.

The insurrection was quickly contained, because the rebellious recruits did not act as a revolutionary vanguard nor did their rioting betray consciousness of a purpose larger than the mitigation of the appalling conditions under which they had served. The government's toleration of the opposition, however, will most likely be subjected to a severe test in the coming months. Momentous decisions lie ahead in the economic field and in relations with regional and international powers. If the regime persists in imposing serious limits on representation and inclusion in the decision-making process, internal dissension will be exacerbated, leading the regime to an open rupture with the opposition.

THE ECONOMIC SITUATION

From Egypt's long history of entanglements with foreign powers, the intelligentsia learned to treat dependence on foreign aid gingerly. The bitter memories of Kehdive Ismail's profligate spending that plunged Egypt into external debt and foreign occupation roughly a century ago are deeply embedded in the Egyptian psyche. Today the foreign debt is \$38.5 billion, reflecting Egypt's heavy dependence on the West and the United States in particular.

Part of the present dilemma can be explained by the drastic drop in state revenues as a result of the worldwide slump in oil prices, the decline in workers' remittances and the dwindling number of tourists following the escalation of violence in the region. These changes have reduced state revenues by one-third. Total foreign exchange earnings in 1986 were estimated at \$6.6 billion, in comparison to \$9.6 billion in 1985. An important economic difficulty is the persistence of old problems partly because of the influence of the currently favored ideology or fear of the domestic reaction to bitter but necessary reforms. The reforms were more often postponed because of the availability of external solutions in the form of credit and loans, particularly in the era of the *infitah*.

Mubarak's problem is rooted in the legacy inherited from the socialist and the liberalization eras. Much of the cumbersome socialist legacy is concentrated in a series of laws and regulations handed down by the authorities as far back as three decades ago. These laws and regulations include price and rent controls, subsidies, guaranteed state employment, minimum

wages and 50 percent representation for workers and peasants in all state institutions.

The liberal formula adopted by the Sadat regime did not alleviate the difficulties arising from these restrictions. On the contrary, it added new problems. Unrestricted imports of luxury goods and the increasing cost of the subsidy system created a huge trade imbalance that forced the government to resort to more external borrowing. This vicious cycle continues under Mubarak, because the spell of mass reaction to reforms has never been broken.

The International Monetary Fund (IMF) sees no alternative to the present difficulty except to call for a steep cut in the subsidies, amounting to 75 percent. The IMF estimated that annual expenditures on subsidizing food and fuel alone amount to \$4 billion. More a reaction to past experience than a realistic assessment of the present situation, the Mubarak regime decided to increase prices by stealth. In 1986, electricity and fuel prices went up and gasoline prices more than tripled; different qualities of bread were also introduced to avoid the backlash almost certain to follow if the government were to order indiscriminate price increases.

The economic problems, however, demand more than the halfhearted, ad hoc solutions presented by the government. One serious problem is the decline in agricultural production as a consequence of a decade of dependence on external support in addition to complex internal restrictions and the existing price structure. The so-called *al-taba'iyya al-gamhiyya*, the "wheat dependency," is a case in point. Egyptians are particularly sensitive toward this aspect of external dependence because wheat constitutes the main source of their livelihood. It is no coincidence that in Egyptian the words for bread and life are the same.

Egyptians remember how Nasser reacted in a fit of outrage to the withdrawal of United States wheat during the administration of Lyndon Baines Johnson and how he called on his people to eat less and conserve more. Nasser's terse evocation was completely forgotten under the *infitah*, when farmers found it less costly to buy bread from city bakeries than to grow wheat themselves. The greater the dependence on foreign imports, the less the incentive to produce grains at home. Together with the subsidy system, price controls and government-imposed quotas, the farmer found it more to his advantage to produce freely marketed crops, if he were lucky enough to avoid government restrictions. With a population of 52 million growing at the rate of one million every nine months, and with grain imports amounting to 70 percent of the country's consumption, there is an urgent need to disentangle agricultural production from stifling restrictions.

The problems of the domestic economy have a direct bearing on relations with the United States. Next to Israel, Egypt is the second largest recipient of United

States foreign aid. The United States Agency for International Development (AID) mission in Cairo is probably the largest in the world. Total United States aid to Egypt in the past decade amounted to \$18 billion. It exceeded \$2.7 billion in 1986. More than \$9 billion of the foreign debt has been borrowed for military purposes; of this amount, \$4.5 billion is owed to the United States.

Nonmilitary aid went into such lackluster projects as the laying of sewage pipelines and extending electric and telephone lines, which compare unfavorably in the public view with the impressive industrial monuments built with Soviet aid, like the Aswan Dam and the steel industrial complex at Helwan. When Alexandria's beaches were polluted in the summer of 1985 because of a faulty design in the sewage pipeline project, United States culpability became part of a virulent public debate, reminiscent of the criticism levied against the building of the Aswan Dam when relations with the Soviet Union turned sour.

United States aid to Egypt is further complicated by its entanglement in political solutions to intractable and complex regional problems. Combining politics with aid strengthens the belief that aid represents, at best, a given right, a quid pro quo, or, at worst, a kickback for the Egyptian acceptance of unpalatable political solutions. These negative Middle Eastern and Egyptian attitudes to foreign aid reflect the bitter harvest sown by United States administrations that used foreign aid to sidetrack politics. In 1986, pressure grew in the United States Congress to link aid to Egypt with the restoration of full Egyptian diplomatic relations with Israel. This development not only confirmed the American use of aid as a means of exercising political pressure, but also reduced complex issues, in which the power of the United States government is limited, to a simple and unrealistic formula.

REGIONAL CONFLICTS

The stumbling blocks against the establishment of normal relations between Egypt and Israel since Mubarak assumed power have been the Taba affair—a controversy over a sliver of beachfront on the Israeli-Egyptian border—Palestinian rights on the West Bank and the Gaza strip, and Israel's invasion and occupation of parts of southern Lebanon. These were the subjects of intense bilateral negotiation that paved the way for the summit meeting between Mubarak and Israeli Prime Minister Shimon Peres in September, 1986. The highly ambiguous joint communiqué at the conclusion of the summit sounded upbeat, declaring 1987 to be the year of negotiation for peace in the entire region, although nothing substantial was accomplished. The issue of Taba was referred to arbitration; the Palestinian problem and the establishment of comprehensive peace in the region were to be

discussed by an international committee whose formation and procedures were left to a preparatory committee. There was no reference to the Palestine Liberation Organization (PLO), and the importance of holding an international conference to discuss a comprehensive peace plan was disputed by Israeli Foreign Minister Yitzhak Shamir, who favors direct bilateral negotiation.

The holding of the summit suggests a changing mood in Cairo after the series of setbacks in Egypt's attempts to end its isolation in the Arab world without upsetting its peace agreement with Israel. Attempts to reconcile these goals proved to be insurmountable, despite the optimism engendered by early successes.

Until the summit with Peres, Mubarak clearly showed a tilt toward Arab causes. He continued to invoke the spirit of Nasserism to remind his domestic audience of his country's Arab affiliation and preeminent leadership. In the course of the past two years, Mubarak's policy achieved some success, evidenced by the restoration and strengthening of diplomatic relations with Jordan.

The Egyptian overtures to moderate Arabs, however, were rebuffed by the radicals led by Syria, while Saudi Arabia and the Gulf emirates kept losing ground to Syria in the wake of a sharp decline in oil prices. Jordan's King Hussein attempted to blunt the edge of Syrian opposition by offering to mediate between Cairo and Damascus and between Syria and Iraq, in a bid to rehabilitate Egypt and win Syria to the side of Arab moderates. Although relations between Jordan and Syria have improved, Syrian President Hafez Assad has persistently opposed Egypt's reintegration into the Arab world and has effectively used Palestinian splinter groups to break the backbone of the triple entente—Egypt, Jordan and the PLO.

The breakdown in the talks between Jordan and the rump of the PLO under chairman Yasir Arafat in February, 1986, spelled the end of Arafat's brief flirtation with the policy of moderation that was orchestrated by the Egyptians in a bid to win United States-Israeli recognition of the PLO as a negotiating partner. The PLO's return to radicalism will certainly complicate the peace process between Egypt and Israel and may even cause deep embarrassment to Mubarak at home. Before the ink had dried on the Peres-Mubarak communiqué, the PLO representative in Cairo announced his organization's responsi-

(Continued on page 84)

Hamied Ansari is the author of *Egypt: The Stalled Society* (Albany, N.Y.: State University of New York Press, 1986). He has also written on Egypt's Islamic militancy, political economy and foreign policy. He was recently acting director of Middle East studies at the Johns Hopkins School of Advanced International Studies.

BOOK REVIEWS

ON THE MIDDLE EAST

CAMP DAVID: PEACEMAKING AND POLITICS. By *William B. Quandt*. (Washington, D.C.: Brookings Institution, 1986. 426 pages, notes, bibliography, appendix and index, \$32.95, cloth; \$12.95, paper.)

The 1978 Camp David accords and the subsequent peace treaty between Israel and Egypt have been treated either as the pinnacle of American achievement in the Middle East or as the nadir of Arab consensus on the Palestinian question. As a member of President Jimmy Carter's National Security Council, Quandt was an active participant at Camp David. His first-hand knowledge of the negotiations, supplemented by a wealth of documentary material made available to him by Carter and other policymakers, makes this the most comprehensive work available on the accords. Quandt also sets Carter's achievements in the Middle East against earlier presidential initiatives in the region, thus making *Camp David* a broader study of American Middle East policy.

W.W.F.

REVOLUTIONARY IRAN: CHALLENGE AND RESPONSE IN THE MIDDLE EAST. By *R. K. Ramazani*. (Baltimore: Johns Hopkins University Press, 1987. 311 pages, notes, bibliography, appendix and index, \$27.50.)

THE IRANIAN REVOLUTION AND THE ISLAMIC REPUBLIC. Rev. ed. Edited by *Nikki R. Keddie and Eric Hooglund*. (Syracuse, N.Y.: Syracuse University Press, 1986. 246 pages, notes and index, \$14.95, paper.)

Ramazani was one of the first Iranian specialists to posit the existence of "moderates" in Iran's clerical government who are less inclined to spread Iran's revolution forcefully and who would like to reopen relations with the United States and the Soviet Union. Ramazani buttresses his assertions with an outline of Iranian involvement in surrounding countries and the liberal quotation of public pronouncements by regime members. He tries to argue, unsuccessfully, that Iran's involvement in terrorist acts in Lebanon, for example, is supported only by circumstantial evidence. His arguments rely on statements from people like Khomeini and Rafsanjani that Iran does not support terrorism and is not interested in forcing Islam on any nation.

Unfortunately, the book was published before the revelations of United States and Israeli arms sales to Iran and the subsequent release of United States hostages. If, as Ramazani argues, Iran has no direct

connection with groups holding hostages, how does he explain the hostages' release?

The revised edition of Keddie and Hooglund's well-received book covers changes that have occurred since the 1982 edition of the book. This is a very useful, brief, general review of the major issues affecting Iran. The contributions are first rate and the contributors are well known in their fields.

W.W.F.

RUSSIA AND ARABIA: SOVIET FOREIGN POLICY TOWARD THE ARABIAN PENINSULA. By *Mark N. Katz*. (Baltimore: Johns Hopkins University Press, 1986. 279 pages, notes, bibliography and index, \$30.00.)

A Soviet invasion of Iran and control of the Persian Gulf have been postulated by some as the real aims of the Soviet invasion of Afghanistan. Katz, however, considers this worst-case scenario improbable (but not impossible) and focuses instead on how the Soviet Union has worked to influence the Arab states bordering the peninsula. Katz's readable survey of Soviet policy in the Gulf clarifies many misperceptions about the Soviet Union's activities and goals in a volatile region of the world.

O.E.S.

1949: THE FIRST ISRAELIS. By *Tom Segev*. (New York: The Free Press, 1986. 379 pages, notes and index, \$19.95.)

1949 is the English translation of Tom Segev's best-selling account of the first year of Israel's independence. Segev, a former reporter for *Haaretz*, captures the excitement and frustrations of creating the Israeli state. The mass deportation of resident Arabs, the discrimination against Oriental Jews, the extreme deprivation in the government camps for newly arrived Jews, and the government's battles with the religious establishment to avoid a theocratic state are among the issues Segev reviews. A patchwork selection of excerpts from diaries, letters, government reports and journalists' accounts, *1949* should be read as a supplement to formal histories of Israel.

W.W.F.

LIBYA: QADHAFI'S REVOLUTION AND THE MODERN STATE. By *Lillian Craig Harris*. (Boulder, Colo.: Westview Press, 1986. 157 pages, notes, bibliography and index \$24.95.)

This is one of the best of the Westview profiles of Middle Eastern nations. The author, a former State Department specialist on Libya, identifies the

(Continued on page 91)

IRAQ

(Continued from page 60)

formance in the war. The July, 1986, Baath conference conveyed the same image. It publicly demonstrated that Saddam Hussein retains a strong grip on the political situation. The conference elected three new members to the number two ruling group, the Baath Regional Command (RC). The new members are known to be Saddam loyalists: one heads the directorate-general for internal security and another, Information Minister Latif Jassem, was recently decorated by Saddam for his job performance during the war.

But the most provocative consequence of the conference was the removal of Naim Haddad from his posts on the RCC and RC. Haddad has been a member of the inside ruling group since Saddam Hussein took over the presidency of Iraq in 1979. For a time, Haddad was believed to be the only Shiite member of the RCC, which gave his position major political significance, since the majority of the Iraqi populace is Shiite. Initially it was unclear whether Haddad had been "purged" from his office, although speculation was rife that in his outspoken manner, he might have presumed on his long-standing ties to Saddam and suggested that the President step down in order to end the war with Iran.⁸ Haddad has since been replaced on the RCC by Saadoun Hammadi, also a Shiite. Hammadi has held numerous Cabinet posts under the Baath, including foreign affairs, petroleum and agriculture. Hammadi, however, is a reserved man with an academic frame of mind, and he is believed to have a delicate health condition. He is a much less colorful personality than Haddad.

In another indicative move, the Baath regional conference elected Izzat Ibrahim to be deputy secretary general of the RC, making him the nominal number two man behind Saddam in both the RC and the RCC. However, he is also a reserved, relatively colorless figure who is believed to have no political ambitions nor any semblance of a political power base. The only major political figures in the country besides Saddam are Taha Yassin Ramadan, who oversees the domestic economy and budget, and Tariq Aziz, the foreign minister, who is Saddam's "point man" in an increasingly wide-ranging Iraqi diplomacy. As a Christian, however, Aziz is unlikely to acquire ultimate power in Iraq. In addition, Ramadan's role as economic czar has reportedly come under closer scrutiny by Saddam.

⁸Since his ouster, reports have surfaced periodically that Haddad has been executed, but these have not been confirmed.

⁹*Middle East Economic Digest*, October 11, 1986, pp. 18, 20.

¹⁰See Wallace, op. cit.; and Jim Muir, "Iraqi War Chiefs Lose Red-Tape Straightjacket," *The Sunday Times* (London), August 17, 1986.

Rumors concerning alleged executions of officials and coup attempts are standard fare for close observers of politics in almost every Arab country. Since the first major deterioration of Iraq's war position in 1982, Saddam Hussein's regime has been the subject of an increasing number of such rumors, but obviously no coup or assassination attempts against Saddam have succeeded.

Against this mixed background, it should be noted that reports about executions and a coup attempt in Baghdad have accelerated since July. A series of executions of public officials was actually announced in early October, but their broad political significance is questionable since they were apparently carried out for violations of Iraq's extremely tight regulations against government corruption.⁹ Corruption charges are also believed to be the reason that the mayor of Baghdad and his deputy were removed from office earlier in 1986, notwithstanding long ties to the Baath party and Saddam. But Naim Haddad's political disappearance, combined with reports of executions of Iraqi critics of the war from Takrit (the hometown of Saddam's clan), suggests that a difficult political climate prevails.

A final but potentially very important political event is Saddam's apparent decision to relinquish some measure of his control over military decision making. No official confirmation has been forthcoming, but beginning in late July reports began to circulate in Baghdad that the prosecution of the war has been placed in the hands of Iraq's general staff.¹⁰ To appreciate the immediate and long-term significance of this development, it is important to place it in perspective.

Since 1968, Saddam Hussein has been the main force behind Baath party efforts to eradicate the influence of the Iraqi military in politics. By 1974, most of the military officers in the RCC had been removed from office; and in 1978 and 1979, as Saddam took over the reins of leadership, he purged a large number of military leaders. For most of the war, Saddam has kept close operational control of the military by centralizing tactical decision making to an extraordinary degree and brutalizing military commanders for alleged mistakes in leadership. This "straightjacket of red tape" has been a major factor in Iraq's poor military performance since the beginning of the war. After Iraqi troops were forced out of Iran in 1982, Saddam appeared to give more room to individual military commanders—those whose loyalty to him was beyond question—to make decisions; many gained public notoriety for their effectiveness.

By 1986, however, it was obvious that whatever limited adjustments Saddam had made were not sufficient to counter Iranian inventiveness at Fao and Mehran. Thus, reports of his relinquishing perhaps substantial decision-making authority to the military

(Continued on page 90)

IRAN

(Continued from page 56)

ismatic personality has guaranteed that his government continues to receive domestic support. The so-called "revolutionary wave" (*basij*) consisting mainly of Iranian youth provides the sheer numbers the Iranians need to counter superior Iraqi air power. Khomeini's heir-designate, Ayatollah Montazeri, has spoken about the need to carry the war through to its conclusion—from Iran's point of view, this means the overthrow of Iraq's Baathist regime.

The Iranians are host to the Iraqi "government in exile" in the form of leaders of the Iraqi underground party, al Dawah (the Call). Through marital connections, the Iranian clergy has close links to some Iraqi Shiite families—notably, the Sadrs and the Hakims. Montazeri is undoubtedly in frequent touch with these groups.

Montazeri's position as successor to Khomeini requires some commentary. Khomeini made it known that he favored Montazeri in late 1981.¹⁴ His support was reiterated in 1982, when Khomeini's son announced that he had no doubt that his father backed Montazeri.¹⁵ Within the regime, however, there appeared to be some doubts. Ayatollah Ali Mishkini, the chairman of the Council of Experts, the body charged with selecting the next leader, asserted that same year that he doubted that any single person could fill Khomeini's shoes.¹⁶

Few people at the highest levels of the regime have publicly supported Montazeri. The most notable supporter is Rafsanjani, who has voiced his confidence in Montazeri on at least four different occasions.¹⁷ The latter was finally elected as Khomeini's successor by the Council of Experts in November, 1985. Although the regime did not publicly announce this news, it was inadvertently leaked to the public, and the regime had to explain it after the fact. Montazeri does not have the standing among the top Shiite clergy to warrant consideration as Khomeini's successor. Therefore, the regime has been forced to engage in propaganda campaigns to shore up his image in the media and among the people.

There is some evidence to show that the Council of Experts was lukewarm on Montazeri, and it was only

after repeated semiannual sessions from 1982 to 1985 that a majority was forged on his behalf. Technically, a two-thirds majority in the 83-man body is required for election; the original support for Montazeri appeared to peak at 50—four short of the mark. Rafsanjani claims that in the end all members of the Council of Experts voted for Montazeri.

Some top clergymen have been angry at the procedure by which Montazeri rode to victory. They have argued that the top Shiite leader can never be selected this way, insisting on the traditional procedures of elevation of their distinguished theologians. The traditional procedures feature the gradual elevation of leaders by reputation and their eventual recognition by acclamation on the part of their peers.

The most vocal critic has been Ayatollah Sadiq Ruhani, who made an impassioned statement at the Muhammadiyah Mosque in Qum in November, 1985. Ruhani harshly condemned Montazeri's election and said it threatened to endanger Islam. He condemned the regime as "worse than the Communists."¹⁸ His statement represents the general opposition of the top clergy outside the regime to Montazeri's election, although the tone of Ruhani's reaction may be the most strident. The leadership recognizes that Montazeri's elevation has proceeded somewhat irregularly, given traditional convention.

Rafsanjani has tried to explain why Montazeri was chosen, claiming that he is much involved in politics and thus is well qualified.¹⁹ This is a highly unorthodox position, since the traditional qualifications are those of learning, piety, justice and chastity. Measured by these criteria, say Montazeri's enemies, he does poorly in comparison to others.

The succession question was raised anew in November, 1986, with the arrest of Mehdi Hashemi, Montazeri's son-in-law and chief secretary. Montazeri's office is in charge of the campaign to export the revolution, and Hashemi's arrest is related to Montazeri's rivals' attempts to limit his power. At the same time that Hashemi's arrest became known, a pro-Syrian paper in Lebanon reported that former United States national security adviser Robert McFarlane had visited Teheran in May to negotiate the release of American hostages held in Lebanon and possibly to start a process of reconciliation between Iran and the United States. Thereafter, American arms were delivered to Iran. The problem, however, is that—as with the hostage crisis of 1979–1981—relations with the United States are thoroughly entangled in the web of elite factionalism in Iran.

There is little doubt that Khomeini vehemently rejects contacts with the United States. Montazeri agrees with Khomeini on this issue, as do most officials of the regime. On the other hand Rafsanjani, who is more pragmatic, probably wants some contacts with the United States. It is clear, however, that he

¹⁴*Iran Times*, November 20, 1981, p. 2.

¹⁵*Iran Times*, May 7, 1982, p. 2.

¹⁶*Iran Times*, January 15, 1982, p. 2.

¹⁷Shahrugh Akhavi, "The Power Structure of the Islamic Republic of Iran," in Shireen S. Hunter, ed., *Internal Developments in Iran*, Georgetown University Significant Issues Series, vol. 7, no. 3 (Washington, D.C.: Center for Strategic and International Studies, Georgetown University, 1985), p. 8; *Iran Times*, August 1, 1986, pp. 1, 14; and *ibid.*, February 7, 1986, p. 5.

¹⁸*Qiyam-i Iran* (Paris), no. 129 (December 12, 1985), p. 6.

¹⁹*Iran Times*, February 7, 1986, p. 5.

cannot afford to make his position public. Rafsanjani is not likely to oppose Montazeri openly during Khomeini's lifetime. In the post-Khomeini period, however, if Rafsanjani manages to counter both Montazeri and the rival faction affiliated with the President and the Prime Minister, United States-Iranian relations may be resumed. ■

EGYPT

(Continued from page 80)

bility for the grenade attack on a group of military recruits and their relatives in Jerusalem in October, 1986, that killed one Israeli. The Israelis retaliated by attacking Palestinian camps in southern Lebanon and they denounced the harboring of the PLO office in Cairo as an unfriendly act.

If the past provides any clue to future conduct, the assumption of the Israeli premiership by Yitzhak Shamir under the Labor-Likud leadership rotation agreement is likely further to radicalize regional politics. In the past, the Likud government attached far greater significance to the normalization of relations between Egypt and Israel than to the resolution of outstanding problems, including Israeli settlements on the West Bank. By contrast, the Egyptian government continues to adhere to the traditional Arab position that resolution of outstanding problems must precede full normalization. The gap between these two positions is wide enough to allow the domestic opposition to drive the Mubarak government to distraction. The Egyptians will likely persist in the view that normalization cannot be enforced by an administrative agreement.

The opposition parties in Egypt are naturally inclined to commit excesses and exaggerate issues as long as they feel exempt from the burdens of power and from external constraints. While consensus has always been the official motto, the opposition demands freedom of expression. The tension between these views is likely to increase under external pressure. During the last years of Sadat's rule, Israeli pressure for full normalization precipitated the conflict between the opposition and the government, which ended in open repression. The killing of a number of vacationing Israelis by an Egyptian border policeman in October, 1985, inflamed public opinion in Israel, aroused nationalistic passions in Egypt, and embarrassed the government. Mubarak later issued dire warnings to the untamed opposition, reminiscent of the warnings issued by Sadat shortly before his assassination.

Economic deterioration, increasing dependence on external support, and setbacks in regional policies create explosive conditions for Egypt's Mubarak. Yet explosive situations do not necessarily produce revolutionary outcomes. Thanks to the political mobilization formula, earlier Egyptian regimes weathered storms sometimes far more serious. ■

JORDAN'S MALAISE

(Continued from page 76)

rogued when the Rabat summit recognized the PLO as the sole legitimate representative of the Palestinian people, making it awkward for Jordan to have a Parliament half of whose delegates represented the West Bank. The 60-member Parliament was recalled in 1984, just before Hussein and Arafat resumed their negotiations on a common Jordanian-Palestinian position. By recalling Parliament, including its Palestinian members, Hussein was putting pressure on Arafat to resume negotiations and strengthening his own hand.

Elections were held in March, 1984, to fill eight East Bank seats left vacant by death or incapacity since 1967. Vacant West Bank seats were filled by parliamentary appointment. In the absence of parties, 102 independents of various types competed for the vacant seats. Practical issues were the order of the day: jobs, water, education and taxation. All candidates made the necessary bows in the direction of support for the PLO and desire for an early general election. The prohibition of mass meetings, public rallies and loudspeakers and bullhorns in the streets put a damper on the campaign, and only 35 percent of those eligible to vote did so. The results were interesting nonetheless. Two of the eight seats were reserved for Christians. Of the six remaining seats, three were won by Muslim fundamentalist candidates, raising the question of whether Hussein faces a problem not from the left wing of the political spectrum but from the right.

Without legalized secular politics, religion provides an idiom and a forum for political organization. However, Jordan has no tradition of independent and authoritative local religious scholarship, and the King is wary of the politics of religion. The government controls religious appointments and religious funds; it reviews Friday sermons submitted in writing before they are delivered; and secret police are often dispatched to mosques to attend services. It has been suggested that the fundamentalist candidates who won seats were helped to victory by the government to ensure the election of "safe" fundamentalists rather than fanatics. Hussein has also cracked down on the Muslim Brotherhood (which had been accused of hostile actions against the Syrian regime) in his effort to draw closer to Syria's President Hafez Assad.

The recall of Parliament and the elections for eight seats did not make Jordan a democracy. Popularly referred to as the "geriatric ward" because of the advanced age of most of its members, Parliament spent its first year making speeches. The government was criticized, especially for its restriction of political rights, but martial law was not revoked. The government explained that for the well-being of all citizens, it could not afford to ease strict security measures. The

oppressiveness of these measures has increased since Hussein's break with the PLO.

Security in Jordan is in the hands of the intelligence services and the army. Both, for example, intervened at Yarmuk University in May, 1986. Officially, the unrest was attributed to dissatisfaction over rising tuition for engineering students and the expulsion of 31 students for failing to meet required academic standards. But underlying causes were said to have been opposition to Hussein's break with the PLO and anger over the American bombing of Libya.

The gravity of the troubles at Yarmuk is patent, but their political meaning, like their cause, is more obscure. Some whispered that Yarmuk marked the beginning of the end of the Hashemite dynasty. Yet the summer was quiet, owing perhaps to the increased vigilance of the security forces and an atmosphere described as distinctly "banana republic"; nonetheless, schools opened quietly and on time this autumn.

The monarchy's astounding longevity rests in large part on Jordan's efficient army and intelligence. The size and composition of these forces are unknown. Estimates put the size of the army and the air force at between 70,000 and 100,000. In a country where over 60 percent of the 2.4 million population is Palestinian in origin, the uppermost levels of the police and armed forces are only 5 to 8 percent Palestinian; between 20 and 30 percent of all ranks are Palestinian.⁸ These figures attest to Jordan's suspicion of Palestinians. A national draft brings in some 20,000 conscripts a year, but most of them are never fully integrated into the army. Conscripts have a shorter training period than other recruits and serve for two years in marginal positions. The intelligence services are well integrated with the government; the top echelon regularly moves in and out of Cabinet posts. Two recent Prime Ministers, Mudar Badran and Ahmad Obeidat, had security backgrounds.

CONCLUSION

The monarchy's longevity also rests on King Hussein's understanding of the need to maintain a balance of regional interests in Jordan's favor. Jordan's impulses in regional affairs are primarily reactive rather than initiatory. At present, Jordan is reacting to Israeli threats, American blandishments, falling Arab economic support, growing Syrian strength, the probability that Iran will outlast Iraq in the ongoing Iran-Iraq war, and PLO organizational weakness brought on by the Syrian-supported revolt against Arafat.

Because the interests that link Jordan to such odd

bedfellows as the United States, Israel and Syria are not very stable, Hussein has not broken with the older and more secure regional alliance of "moderates" including Egypt, Saudi Arabia and the Gulf states. If he has distanced himself from the moderates by challenging the Arab consensus behind the PLO, he can rejoin them at a moment's notice by reconciling his differences with Arafat. Significantly, Jordanian Prime Minister Samir Rifai recently reiterated Jordan's support for an international peace conference with PLO participation.⁹ Hussein maintains that he has not withdrawn support from the PLO, only from its current leadership.

A VARIABLE POLICY

Hussein's policy toward the Palestinians has always swung like a pendulum within a range of alliances that can be manipulated for the benefit of the monarchy. As it did in 1970 and 1971, the pendulum has reached the extreme range of its arc away from the Palestinians. This inevitably brings into play the domestic and regional constraints that sooner or later start the pendulum in the opposite direction.

The pendulum will keep swinging until there is peace between Israel and the Palestinians. But a settlement is far away. Indeed, both Jordan and Israel have thus far been satisfied with the lack of formal agreement, which has allowed them to work together to contain Palestinian nationalism. While each country makes appropriate gestures toward peace, both are in fact pleased to avoid the tough questions that would be posed by any Arab-Israeli settlement. For Israel to renounce or even to compromise on the West Bank would raise a domestic storm. But Israeli annexation of the West Bank and Gaza would mean either the addition of 1.25 million Palestinians to the Jewish state or the expulsion of those Palestinians and international opprobrium. For Jordan to cede its position as primary caretaker of the Palestinians to a Palestinian state would cost it some of the international financial support that has kept it afloat since 1948. But to take on the Palestinians of the occupied territories, politicized to a far greater degree than they were before 1967, is a daunting prospect for King Hussein.

The equilibrium in favor of doing nothing cannot be maintained, however. It is particularly threatened by the continued expansion of Jewish settlements in the occupied territories. As settlements continue to be established, the territories have become the chief bone of contention between Israelis and Palestinians and between Israel and the Arab states. The equilibrium is also threatened by the claim, advanced by right-wing Israelis (including the present Prime Minister), that Jordan is Palestine.¹⁰ Because both Palestinians and Jordanians know that Jordan is not Palestine, this claim only strengthens the enmity between Israel and its neighbors. ■

⁸*The Times* (London), January 13, 1984, and *Aviation Week and Space Technology*, June 27, 1983.

⁹*Jordan Times*, September 17, 1986.

¹⁰For a historical analysis of the claim see Bernard Wasserstein, "Is Jordan Really Palestine?" *Jerusalem Post*, June 17, 1983.

LIBYA

(Continued from page 68)

The end of weeks of tension about United States policy toward Libya was finally announced live during the seven o'clock evening news on April 14; 16 United States Air Force F-111 bombers had flown from England to attack three targets near Tripoli under cover of darkness—Tripoli airport, a port facility at Sidi Bilal and military barracks at Bab al-Aziziyyah, where Qaddafi was known to stay. Simultaneously, 15 A-6 and A-7 aircraft from United States Navy aircraft carriers in the Mediterranean attacked military facilities near Benghazi.

The United States immediately declared the operation a complete success. Several civilian areas were damaged, including a chicken farm on the outskirts of Tripoli and the French embassy in the center of town. At least 100 Libyan civilians were killed and many were wounded—including two of Qaddafi's sons.¹³ Qaddafi escaped the attack on his barracks uninjured, although he was reportedly badly shaken by what was to all appearances an American attempt on his life.

Libyan defenses proved embarrassingly porous, particularly in view of their enormous cost, and for several days after the attack some nervous Libyan soldiers apparently fired rockets at anything that crossed the sky. American officials, including Secretary of State George Shultz, suggested that military mutinies and street fighting between rival factions within the military also accounted for some of the gunfire. Loyalist forces promptly crushed whatever moves against the government may have been afoot, however, and it appeared that United States officials had been indulging in wishful thinking.

THE AFTERMATH

Assessment of the raid from an American perspective depends in part on which of the various United States goals is examined. Obviously, at an emotional and symbolic level the attack represented an expression of outrage at the absence of international controls on terrorism and an attempt at retaliation for American lives lost to terrorists. Experts on terrorism doubted that the significant loss of civilian life in Libya constituted "proportional" response or that the "return address" for retaliation was correct. But their skepticism did not diminish popular American support for the raid.

¹³Reports at the time that an adopted 15-month-old daughter of Qaddafi's was killed are now discounted. Her existence was previously unknown and her death was not reported domestically. See *The Times*, April 17, 1986.

¹⁴*The New York Times*, May 15, 1986; May 23, 1986; Lillian Craig Harris, "America's Libya Policy Has Failed," *Middle East International*, no. 285 (October 10, 1986).

¹⁵*The Washington Post*, October 2, 1986.

Similarly, the administration was pleased that the Europeans, who had been slow to join earlier American efforts to isolate Libya, took steps to expel suspect Libyan diplomats, restrict Libyan students, and otherwise express their displeasure with the Qaddafi government. Most European moves were symbolic, born less of conviction that the United States approach was appropriate than of fear that failure to take any action would prompt even more dangerous unilateral American action, such as the destruction of Libyan oil fields. Nonetheless, for whatever reason, the Europeans fell more closely in line with American wishes.

In terms of direct results, however, the attack was considerably less successful. The raid did not spark a military rebellion against Qaddafi's regime; in fact, it appeared to have strengthened Qaddafi's hold on the reins of power.

Within a month of the attack, administration officials conceded that they saw no diminution either of terrorist activity in general or of Libyan plots specifically. In October, a former State Department official wrote that Libya had been implicated in a rocket attack on a British airbase in Cyprus and an attempt to blow up the American embassy in Togo in August; Libya may also have been involved in the September hijacking of a Pan American World Airways plane in Pakistan and an attack on a synagogue in Istanbul in which 40 people were killed.¹⁴

By the fall of 1986, American claims about Libya's role in terrorism had come under suspicion. In early October, *The Washington Post* reported that the administration had undertaken a "disinformation campaign," deliberately planting false stories in the international press to frighten Qaddafi. The revelation raised a storm of protest among American journalists, prompted the resignation of State Department spokesman Bernard Kalb, and undermined the credibility of the administration's pronouncements on Libya.¹⁵ News reports of the Libyan role as the sponsor of terrorism were also eclipsed by fresh evidence of Syrian and Iranian involvement in terrorism.

THE LIBYAN BALANCE SHEET

For the Qaddafi regime, the outcome of the American bombing was equally mixed. Reports circulating in the weeks after the raid that Qaddafi had been pushed aside by a junta composed of the remaining RCC members proved erroneous. Similarly, reports that Qaddafi's mental health had markedly deteriorated after the shock of the raid appear to have been exaggerated. By midsummer, Qaddafi had begun to tour the country, slowly making his way north to the coast to make his first major public appearance after the raid at the September 1 celebrations of the anniversary of the revolution in Tripoli.

The celebrations indicated that Qaddafi had returned to form—his speech was said to have been

much more forceful than that of the previous year. Qaddafi had used the occasion of the bombing to justify a close—and ruthless—examination of the military. Apparently believing that the Americans had reason to expect a military uprising, Qaddafi launched a purge of “American agents” and other malcontents from the military, thus weakening precisely those elements in the Libyan establishment that the attack had been designed to strengthen.

The military, as well as the Qadadfa tribe, may have benefited from the raid. An article critical of the military’s performance and signed by Said Qadadfa appeared in the newspaper *Jamahiriyah* shortly after the attack, and Qaddafi was clearly disappointed in the military’s response.¹⁶ Nonetheless, the raid suspended the infighting between the revolution’s old guard, the Qadadfa, and the revolutionary committees, and it halted the dismantling of the conventional forces in favor of an “armed people.” Instead, Qaddafi was obliged to admit that in an actual confrontation with another country’s conventional military—particularly that of a superpower—the sort of popular militia he envisioned would be inadequate. Moreover, the revolutionary committees were widely reported to have exhibited greater cowardice and a greater inclination to looting during and after the raid than did the regular soldiers. Thus, ironically, a chastened and presumably more trustworthy military apparently regained some of its lost stature in the aftermath of the raid.

In foreign policy, Qaddafi’s long-standing claim that the American imperialists would stop at nothing to destroy third world revolutions like his own was given a credibility it had not enjoyed in recent years. Qaddafi has made himself so unpopular even in third world circles, however, that expressions of support for Libya and condemnation of the United States in Arab and nonaligned capitals were somewhat subdued. Resentment at the United States attack may have been greater among ordinary people—large crowds demonstrated against the United States in Tunisia, for example—but by and large, Qaddafi was widely viewed as having himself been the cause of most of his problems. The meeting of the conference of nonaligned nations in Zimbabwe in early September, 1986, gave Qaddafi an opportunity to demonstrate that he is secure enough to leave his country and to call for retaliatory sanctions against the United States, but the member nations refused to adopt substantive measures against the United States.

Although the Soviet Union promised to reinforce Libyan defenses after the attack, the Soviet Union was bitterly criticized by Qaddafi for failing to come to Libya’s aid. The Soviet–Libyan relationship had never been one of great mutual confidence, however, and

Qaddafi was probably not surprised by Soviet diffidence. Certainly he had to accept the Soviet offer to resupply matériel lost in the raid. The Europeans, although they obviously hoped to prevent another attack by meeting United States demands for sanctions, continued to do business with Libya; indeed, they (and the Soviet Union) are likely to be the principal beneficiaries of the American sanctions.

Qaddafi’s commitment to international revolution and his willingness to use every means to further that aim appear to be undiminished by the American raid. Moreover, his personal security has probably been temporarily enhanced, because the attack exposed the existence of opposition in the military that Qaddafi could eliminate. Thus there is little likelihood that there will be a discernible decline in Libyan support for radical Palestinian groups or for revolutionary opposition movements elsewhere in the Arab world or Africa.

Growing domestic opposition and declining oil revenues constitute increasingly significant constraints on Qaddafi’s freedom of action in the international arena. Libya’s principal contribution to most terrorist incidents with which it has been associated has been financial rather than organizational, and the Libyan regime has less cash to distribute to such causes than it once had. Moreover, the growth of opposition means that the government’s now limited resources will be needed at home. The imperatives of political survival dictate expenditures on domestic consumption and, more important, on the domestic intelligence and repressive apparatus that maintain Qaddafi in power. The magnitude of the domestic opposition suggests, however, that if the Qaddafi regime is not given another rationale for military purges and if the patriotic opposition is not put in the awkward position of having to avoid the appearance of collusion with the United States, the regime will be in very serious trouble. ■

ISRAEL

(Continued from page 72)

to the 1982 invasion persisted. There was concern about the PLO’s reinfiltration into Lebanon, the growing Iranian role with the Shiites there (including the provision of training for terrorist activity in the region and beyond, and preparations for launching attacks against the South Lebanon Army) and the prevailing anarchy.

Israel continued its support of the South Lebanon Army (SLA) and resorted to periodic retaliatory raids into Lebanese territory. For Israel, the problem was to maintain the security of northern Israel through support of the SLA and to retain the security zone in which the SLA and a small number of Israeli troops were positioned. At the same time, it was important that Israel avoid direct involvement in southern Lebanon or in the complicated Lebanese situation.

¹⁶*The New York Times*, April 27, 1986.

THE SPECIAL RELATIONSHIP

The special Israeli relationship with the United States remained central; it reached an all-time high of cooperation and euphoria during the first two years of the national unity government. The relationship was very positive in virtually all sectors, including strategic cooperation and broad agreement on political themes and issues. This, despite the fact that there have been some major problems, including the spy scandal of November, 1985, involving Jonathan Jay Pollard¹¹ and the growing debate over the value and cost of the Lavi fighter-bomber aircraft. The United States and Israel have entered an "era of good feeling" that has become pervasive in both the legislative and executive branches (the latter under the leadership of President Ronald Reagan and Secretary of State George Shultz). The Reagan administration grew accustomed to the Peres style, which seemed flexible and more subtle and less rigid than that of his immediate predecessors (i.e., Shamir and Begin). The result was less friction and tension.

At the same time, the policies of the Peres government seemed to be more palatable to the United States. The concept of the Jordan option, central to the Peres perspective on the peace process, was a crucial element in the Reagan peace plan announced in September, 1982. In addition, while Begin and his government rejected the Reagan plan, Peres and the Labor party were more open-minded. The United States saw the Peres tenure as one that contributed to the peace process. The culmination of his term in office was Peres's visit to Washington in mid-September, 1986, at a high point in United States-Israeli relations. The primary question was the potential for change with Shamir as Prime Minister.

ISRAEL AND THE SOVIET UNION

Israel has had a variable relationship with the Soviet Union and its bloc partners since before Israeli independence. Although the Soviet Union supported the United Nations partition plan of 1947 and Israel's independence in 1948, it shifted to a pro-Arab position (including economic assistance and arms supply) by the mid-1950's. Since 1967, when the Soviet Union and the Eastern bloc states (except Romania) broke diplomatic relations with Israel, the questions of a Soviet role in the Arab-Israeli conflict and the peace process and the status of Soviet Jews have been central themes in Israeli-Soviet relations.

There were some interesting if inconclusive moves

¹¹Pollard was a United States Navy analyst who pleaded guilty to charges of providing classified United States government documents to Israel. See *The New York Times*, June 6 and 9, 1986.

¹²Peres's response to a question following a speech in Washington, D.C., on September 16, 1986. Text provided by the Embassy of Israel, Washington, D.C.

toward potential changes in the relationship in 1986. On August 18, 1986, Israeli and Soviet negotiators met in Helsinki, Finland, for the first significant public official contact since the 1967 break in relations, although as foreign minister Shamir had already met with Andrei Gromyko, then his Soviet counterpart. But the meeting proved shorter than intended and, apparently, achieved no major breakthroughs. Subsequently, the ambassadors of the two states met in Washington. And on September 22, 1986, Peres and Soviet Foreign Minister Eduard Shevardnadze met in New York at the United Nations. Apparently they discussed bilateral relations, the peace process and the question of Soviet Jewry. No results were immediately apparent.

Nonetheless, the interests of both parties would be served by a continuing dialogue and improved relations. When asked if there are any Israeli requirements for the resumption of diplomatic relations with the Soviet Union, Peres said:

Yes, we are asking for both a resumption of diplomatic relations and for the opening of the gates for the Jewish people to go back to their homes, to regain their basic permission to pray to their Lord, to teach their children the history of their people, to keep in touch with the rest of the Jewish people, and finally to go to the destination they have chosen. We shall surely insist on that point.¹²

PROSPECTS

The rotation has occurred and the new government of Israel is in place. Predictions concerning the survival of the national unity government are inherently risky and of dubious utility. The collapse of the first phase of the national unity government was frequently predicted and never occurred, and the second phase is no more certain to collapse. Political factors act as a deterrent to a government split that would require new elections. The Peres government and its actions (especially the withdrawal from Lebanon) have been very popular, and the electorate might "punish" a politician or party that disrupted a "good thing." New elections might well prove as inconclusive as those of 1984; thus a wearying election campaign might prove costly but achieve little change.

The main factors that might force the demise of the government include disagreements over personnel matters at Cabinet and sub-Cabinet levels, or personality clashes. Both leaders remain vulnerable within their own parties. But the issue that might well trigger a government collapse might be an Arab peace overture that would force major soul-searching and decision making within the Israeli body politic. Israelis remain sharply divided on many of the issues in conflict and on a negotiating posture in the event of an invigorated peace process. Israel's government transition is unlikely to generate such a process; but a dramatic Arab initiative, beyond Israel's control, might well do so. ■

SYRIA AND LEBANON

(Continued from page 64)

South Lebanon Army, on Israeli troops and, on a few occasions, on targets in Israel itself.⁹

In November, 1985, Syria and Israel clashed directly in Lebanon over a different issue. Between 1979 and June, 1982, Syria had contested Israel's "open skies" policy in Lebanon. As a result of the 1982 war, Israel again pursued this policy unchallenged. In November, Israeli planes overflying eastern Lebanon clashed with Syrian planes, and two Syrian planes were shot down over Syrian territory. Syria responded by deploying ground-to-air missiles along its border with Lebanon and inside Lebanon's territory. Through December, 1985, and January, 1986, the danger of a large-scale Israeli-Syrian collision remained acute. But both sides were clearly not interested in such a collision and it was avoided.

The "missile crisis" of 1985-1986 was illustrative of the Lebanese problem in two important ways. First, it demonstrated how difficult it was in practice to distinguish between the Lebanese crisis and other, related issues. Israel and Syria clashed in Lebanon and to some extent over Lebanon, but the crisis was also part of a broader Syrian-Israeli conflict, and it was controlled within that context. Second, like most other components of the Lebanese crisis, it remained unresolved. For Syria and Lebanon and for Syria in Lebanon, 1986 was a year during which new directions were not charted. ■

⁹William Harris, "Syria Rides the Tiger," *The Middle East*, October, 1986, pp. 8-9.

THE REAGAN ADMINISTRATION AND THE MIDDLE EAST

(Continued from page 52)

hostages by secretly developing relations with some members of the Iranian government.

When the facts about the covert relationship emerged, President Reagan and key officials tried to portray the shipment of United States arms to Iran, both directly and through third parties, as only coincidental with the release of some American hostages. Yet the link was clear. In perceptions—in America, Europe, and elsewhere—the administration's deeds conflicted directly with its words. Key officials had tried to effect the release of the hostages without making concessions to terrorists, lest concessions beget more terrorism.

But the officials did not succeed. Yet the strange events surrounding the activities of the President and his White House advisers could burst the bubble of popular expectations about the United States government's ability to prevent terrorism or to retaliate against it. If this leads to a demystifying of terrorism, putting

it in perspective, then the terrorists' grip on the American imagination might be lessened.

THE FUTURE OF IRAN

In six years, administration policy toward the Middle East had come full circle. The administration still had no basic commitment to Arab-Israeli peacemaking. It still had not fashioned a comprehensive approach to the region. And it was still trying to deal with the Middle East piecemeal. This stance had led to greater than usual congressional opposition to arms sales to moderate Arab states, because the sales were conceived in a vacuum, not as part of a broader peacemaking strategy.

For several years, the United States has been unable to influence significantly the course of the Iran-Iraq war, where victory for either side would spell disaster for the West. For several years, in effect, Washington tilted toward Iraq, most visibly by trying to shut off the flow of arms to Iran while ignoring the massive shipments to Iraq. However, it is clear that at least some senior Reagan officials understood that Iran, not Iraq, is the strategic prize in the region, especially with regard to the Soviet Union. With turmoil in Iran, there are serious risks that Moscow will gain decisive influence there, to the West's perhaps enduring detriment.

Thus the Reagan administration's secret overtures to Iranian officials were conceived in part in an attempt to influence the future of Iran and United States-Iranian relations. With stalemate in the war, risks to Iraq and thus to other regional Arab states seemed to diminish. Iran was reaching out to its neighbors. Moscow was repairing relations with Iran.

For whatever reason President Reagan acted, in justifying his actions he presented a clear and compelling strategic vision for the Persian Gulf. In the process, he signaled to Iran that the United States will accept the Iranian revolution and resume the classic role of a Western counterweight in Iran to Soviet influence.

To be sure, some of Reagan's critics have sought to undercut this strategic rationale as a means of further discrediting his method of pursuing it. Still, there has been a remarkable consensus that seeking an opening to Iran, in itself, had merit. Unless the President is forced to recant, his signal to Iran is likely to survive the domestic struggle in the United States over his broader stand on terrorism, the way in which policy was made and conducted, and the wisdom of dealing with individual Iranians or the clerical regime in Tehran. Ironically, several years from now, this strategic commitment could remain the most lasting foreign policy effect of the Iran affair.

CONCLUSION

For at least its first six years, in the Middle East

the Reagan administration acted from a perspective different from that of its immediate predecessors. The Egyptian-Israeli peace treaty seemed to reduce the need for the United States to take a lead in peace-making. The Iran-Iraq war was largely beyond American influence—although the United States worked with Britain and France to secure freedom of navigation in the Persian Gulf. And the oil glut of the mid-1980's further reduced American awareness of the Gulf.

At the same time, the American people were turning inward after Watergate, Vietnam, and the hyperinflation of the Carter years. President Reagan himself has been domestically oriented. Foreign policy has been important to the President when there has been an immediate challenge or when foreign policy has had major domestic implications, as in the case of terrorism.

Meanwhile, the administration's laissez-faire approach to Middle East problems has contributed to the worsening of the Western position there. For various local reasons that are largely related to social, political, cultural and economic developments, the role of the West and especially the United States has become more precarious in the area. This does not necessarily mean net gains for the Soviet Union. Despite diplomatic relations with Oman and the United Arab Emirates, the Soviet Union's influence in the Persian Gulf has not increased appreciably. Moscow has made little progress in Arab-Israeli diplomacy beyond its classic stance of "no war—no peace."

But by abstaining from its expected role, the United States has neither removed itself from danger nor increased the security of its interests. Rather, it risks a progressive isolation.

Ironically, terrorism provided the catalyst to bring United States attention back to the Middle East. Yet the Reagan administration's problems remain. It must demonstrate an ability to make calculations that assess future risks in the Middle East. Such calculations continue to place the region at the center of American foreign policy concerns. And these calculations challenge the administration to build for America's future, rather than simply to hope for the best.

Given the political distress that the President and his key advisers are facing over Iran, it is doubtful that the balance of the Reagan administration will see an initiative in the Middle East that is even a shadow of the initiatives of the 1970's. The world must wait until the next administration for renewed United States diplomatic activity in this vital region. ■

IRAQ

(Continued from page 82)

take on major significance. In the immediate context, his action seems to have had a major effect on the

Iraqi air force, whose strikes against Iranian economic targets in the Gulf and elsewhere have made quantum advances in their effectiveness. Their impact on Iran's already battered economy could soon neutralize much of the psychological advantage Iran gained in 1986 in the ground war.

In the longer term, Saddam must realize that unleashing the military against Iran may also pave the way for a return of military influence in domestic politics. While the pervasive dominance of the Baath party makes it unlikely, a military "man on horseback" could yet replace Saddam and thereby enable diplomacy to begin the process of winding down the war. As a result, close watch must be kept in coming months to see whether a tighter grip is reimposed on the military.

It is undeniable that Iran's occupation of the Fao Peninsula in southern Iraq dealt Iraq a decisive and harsh blow. The follow-up Iranian victory at Mehran confirmed that the war initiative had shifted to Iran. However, it also provoked a major reassessment of Iraq's immediate objectives and tactics, the result of which has been a devastating air force countercampaign against Iranian economic targets. Thus, just before the revelation of United States arms transfers to Iran, it appeared that Iraq had neutralized Iranian gains made earlier in the year and had raised serious doubt about the potential effectiveness of a "final offensive" by Iran, or whether it would be launched at all.

Thus far, the effect of the arms transfer crisis is to complicate Iraq's position without making it untenable. Analysts who believe that the United States and Israel shipped as much as \$500 million to \$1 billion in arms to Iran—compared with the \$12-million price tag cited by the administration of President Ronald Reagan—suggest that while they may enhance Iran's military capability substantially, these weapons will not enable Iran to gain a decisive victory in the ground war against Iraq.¹¹

But perhaps there is even greater concern about the impact of the arms transfer crisis on the political/psychological balance in the war. For the crisis falls in line with several other recent developments that give the impression of an emerging Iranian ascendancy in the Gulf. In view of Iran's military victories, many analysts have viewed changing Saudi Arabian positions within OPEC (the Organization of Petroleum Exporting Countries) in this light. King Fahd intervened in August and October to produce surprising accommodations with oil production cutback

¹¹David B. Ottaway, "Carter's Iran Specialist Puts Value of Arms above \$500 Million," *Washington Post*, December 5, 1986; and Frederick W. Axelgard, "Iraqi Woes Magnified by Economic Crunch," *Christian Science Monitor*, December 12, 1986. The author's *Monitor* article draws on an earlier version of this *Current History* article.

proposals made by Iran. In addition, the firing of Saudi Oil Minister Zaki Yamani was widely interpreted as a signal that Saudi Arabia will cooperate more closely with Iran. The subsequent revelation of arms sales by the United States has enabled Iran's leaders to say, with some effect, that even the most powerful nation on earth has had to come knocking on the door of the Islamic Republic.

Iraq's response to this dramatic turn of events has been low key and, so far, effective. For example, the November 25 attack on Larak Island raised the stakes in Iraq's already effective campaign against Iranian oil and economic targets. Besides hitting at Iranian efforts to regain an acceptable level of oil exports, the attack accomplished two significant psychological objectives. First, it ended Iran's monopoly on violence in the Strait of Hormuz and extended Iraq's military reach to include the entire Persian Gulf. Second, reports that Iraq's aircraft made a refueling stop in Saudi Arabia on their return trip renewed the image of Saudi support for Iraq in the war.

The arms transfer crisis also points up the tenuous position Iraq holds in United States Middle East policy. The two countries have enjoyed full diplomatic relations only since 1984, after almost two decades of thinly veiled hostility over the Arab-Israeli conflict and United States support for Kurdish rebels in Iraq in the 1970's. Relations before this most recent crisis, while growing stronger, were still in a formative phase. Latent Iraqi suspicions of United States motives and policy in the Gulf have been aroused. Nevertheless, Iraqi officials have exercised noticeable restraint in their public criticisms of the arms transfers. Meanwhile, the State Department has obligingly reaffirmed the United States commitment to neutrality in the Gulf war and to helping cut off the flow of arms to Iran. It thus appears that both Iraq and the United States are interested in preserving their fledgling relationship.

From the United States perspective, this is a wise move. United States and Western interests in the Middle East are tied to the continued independence and viability of Iraq. Iraq will remain important to United States policy objectives even after Khomeini dies. This assessment is based on the argument that, while Iran is the "strategic prize" in the Gulf, it is highly unlikely that Teheran will again be brought into the West's camp as it was under the Shah.¹² Thus, in order to preserve its critical interests, the United States will have to maintain open and amicable relations with all the major powers in the Gulf, which will certainly include Iraq. The United States should therefore cautiously but effectively seek to restore credibility with Baghdad and thereby lay a basis for both immediate and long-term benefits. ■

¹²See Frederick W. Axelgard, "Mistaken Nostalgia about Iran," *Christian Science Monitor*, November 21, 1986.

BOOK REVIEWS

(Continued from page 81)

major issues and events of Qaddafi's reign. Harris criticizes the Reagan administration's seeming obsession with Qaddafi and the administration's decision to bomb Libya in retaliation for sponsoring terrorism against Americans. Like Lisa Anderson, she argues that the bombing did more to strengthen Qaddafi than it did to weaken his grip on power or his penchant for terrorism. W.W.F.

THE HISTORY OF EGYPT. By P. J. Vatikiotis. (Baltimore: Johns Hopkins University Press, 1986. 546 pages, notes, bibliography and index, \$23.50, cloth; \$14.95, paper.)

This edition of Vatikiotis's general history of Egypt updates events from 1980. The annotated bibliography has also been updated. W.W.F.

THE MODERN HISTORY OF IRAQ. By Phebe Marr. (Boulder, Colo.: Westview Press, 1986. 382 pages, notes, bibliography and index, \$38.50.)

SADDAM'S IRAQ: REVOLUTION OR REACTION? Edited by CARDRI. (London: Zed Press [Totowa, N.J.: Biblio Distribution Center], 1986. 254 pages, notes, bibliography and index, \$29.50, cloth; \$9.95, paper.)

Those unwilling to read Hanna Batatu's massive history of Iraq will welcome Marr's competent, readable work as an alternative source. Marr provides general coverage of Iraq's social, political and economic history from 1920 to 1984.

Saddam's Iraq is an activist critique of Hussein's rule. (The essays, which cover a wide spectrum of issues, are sponsored by the Committee against Repression and for Democratic Rights in Iraq.) The Western media and most commentaries on Iraq and the Iran-Iraq war have not devoted much discussion to the repressive nature of the Iraqi government; as the essays in this book make clear, revolutionary zeal and its attendant excesses are not Iran's province alone. W.W.F.

SYRIA UNDER ASSAD. Edited by Moshe Maoz and Avner Yaniv. (New York: St. Martin's Press, 1986. 270 pages, notes and index, n.p.)

The policies of Syria's Assad are difficult to define clearly: is he the sartorial director of Middle Eastern terrorism or is he simply an authoritarian Middle East powerbroker who wants to assert Syria's historical claims on the region? The selections in this collection of edited conference papers do not provide any solid answers to these questions, nor do the majority of the papers provide any new analysis of the issues they discuss. W.W.F. ■

THE MONTH IN REVIEW

A Current History chronology covering the most important events of December, 1986, to provide a day-by-day summary of world affairs.

INTERNATIONAL

Arms Control

(See also *U.S.S.R.; U.S., Foreign Policy*)

Dec. 5—In Geneva, Soviet and U.S. negotiations on space weapons and medium-range and strategic nuclear arms are adjourned; Soviet negotiator Viktor Karpov says the situation is "deadlocked."

International Monetary Fund (IMF)

Dec. 18—The executive committee of the IMF names Michel Camdessus managing director of the fund; Camdessus is the head of France's central bank.

Iran-Iraq War

Dec. 8—Iraq says 12 people were killed today when Iranian troops shelled Basra; Iraqi air raids on several Iranian oil facilities are reported.

Dec. 13—Iraqi jets bomb anti-aircraft defenses around Tehran; this is the 1st air attack on Teheran in 7 months.

Dec. 22—Iran says that an Iraqi air raid today on the town of Eslamabad-e Gharb killed 100 people.

Dec. 26—U.S. intelligence officials in Washington, D.C., say that Iraqi troops have stopped an Iranian offensive in the Shatt al Arab waterway and have regained control of 4 islands in the waterway.

North Atlantic Treaty Organization (NATO)

Dec. 5—NATO defense ministers meeting in Brussels discuss improvements in conventional forces; they support a U.S.-Soviet proposal to cut strategic nuclear arms, but do not support any proposal to ban all strategic missiles.

Organization of Petroleum Exporting Countries (OPEC)

Dec. 20—OPEC ministers meeting in Geneva agree to cut oil production and to raise oil prices to \$18 a barrel as quickly as possible.

United Nations (UN)

(See *Japan*)

AFGHANISTAN

(See also *U.S.S.R.*)

Dec. 4—The government announces that Brigadier General Mohammad Rafi has been appointed defense minister; he replaces Colonel General Nazer Mohammed; Foreign Minister Shah Mohammad Dost has been demoted to minister of state.

BRAZIL

Dec. 5—Finance Minister Dilson Funaro says Brazil will seek large concessions on the repayment of Brazil's \$103-billion foreign debt.

Dec. 12—A 24-hour strike is called by labor organizations to protest price increases; it is the 1st organized strike since the return to civilian rule.

CHAD

(See also *U.S., Foreign Policy*)

Dec. 20—U.S. officials in Washington, D.C., report that Libyan troops, tanks and planes have entered northern Chad in an attack on anti-Libyan guerrillas.

CHINA

(See also *Vietnam*)

Dec. 20—Between 30,000 and 35,000 students demonstrate in Shanghai; the students shout slogans asking for democracy and freedom.

Dec. 21—Almost 50,000 students demonstrate again in Shanghai; the government says the protests are "illegal acts" that threaten the country's stability.

Dec. 22—Authorities in Shanghai ban further demonstrations without a permit.

Dec. 23—In Beijing, several thousand students demonstrate for democracy.

Dec. 26—Beijing officials issue new regulations that in effect ban further student demonstrations.

In Nanjing, an estimated 10,000 students demonstrate for democracy at the grass-roots level.

COLOMBIA

Dec. 29—*The New York Times* reports that the Colombian Defense Ministry has told Patricia Lara, a Colombian journalist deported from the U.S. in October for alleged "subversive links," that it has no evidence of such links.

COSTA RICA

(See *U.S., Political Scandal*)

EGYPT

Dec. 4—Prosecutor General Mohammed el-Guindi issues an indictment of 4 military officers and 29 civilians for plotting to overthrow the government.

Dec. 16—The government announces that 44 people have been arrested for plotting to overthrow the government and install a Communist regime.

FRANCE

(See also *Lebanon*)

Dec. 4—In Paris, police clash with more than 200,000 students demonstrating against a government proposal to stiffen university requirements and raise tuition.

Dec. 5—Education Minister René Monory announces that the government will postpone its plan to increase fees and stiffen university requirements.

Dec. 6—A student is beaten to death by a policeman as student protests continue in Paris.

Dec. 8—Prime Minister Jacques Chirac announces that the government is withdrawing its plan to overhaul the university system because of the continuing student protests.

GRENADA

Dec. 4—A government court convicts 14 former Grenadian officials, including former Deputy Prime Minister Bernard Coard, of killing Prime Minister Maurice Bishop in 1983; the 14 are sentenced to death.

HONDURAS

(See also *Nicaragua; U.S., Foreign Policy*)

Dec. 8—Government officials report that the U.S.-backed anti-Nicaraguan guerrillas (contras) encamped in Honduras have agreed to move their bases into Nicaragua.

IRAN

(See also *Intl, Iran-Iraq War; Lebanon; U.S., Political Scandal*)

- Dec. 5—President Hojatolislam Ali Khamenei says that the U.S. "begged for ties" with Iran.
- Dec. 6—Speaker of the Parliament Hojatolislam Hashemi Rafsanjani says in an interview that Iran would intercede with fundamentalist Muslim groups holding Americans hostage if the U.S. returned arms impounded after the fall of the Shah; "we are ready to intercede to the extent that the Americans give us back our assets."

IRAQ

(See also *Intl, Iran-Iraq War*)

- Dec. 25—At least 62 people are killed when an Iraqi airliner crashes after hijackers explode hand grenades on board the plane; it is not known who the hijackers are.

ISRAEL

(See also *Italy; Lebanon*)

- Dec. 4—Israeli soldiers kill 2 Palestinian students at a demonstration at Bir Zeit University on the Israeli-occupied West Bank; 11 students are wounded by gunfire. The students and the government give conflicting accounts of the shootings.
- Dec. 5—Israeli soldiers open fire on a group of Palestinian youths throwing stones at the soldiers on the West Bank; a 14-year-old is killed.
- Dec. 6—At least 80 Palestinian youths are arrested on the West Bank by the army and police.
- Dec. 22—Mordechai Vanunu, an Israeli technician being held for disclosing information about Israel's nuclear weapons program, shows reporters a message written on his hand declaring that he was abducted from Italy to Jerusalem, evidently by Israeli agents.
- Dec. 28—The Justice Ministry announces that it has found that Prime Minister Yitzhak Shamir did not order and did not cover up the killing of 2 Palestinian hijackers by Shin Beth agents in 1984.
- Dec. 31—Interior Minister Yitzhak Peretz resigns.

ITALY

(See also *Israel*)

- Dec. 24—An Italian magistrate in Rome opens an investigation into whether Mordechai Vanunu, an Israeli technician now under arrest in Israel for disclosing state secrets, was kidnapped from Rome by Israeli agents.

JAPAN

- Dec. 6—The government signs a \$49-million aid agreement with Kenya.
- Dec. 26—The Finance Ministry confirms reports that Japan will provide \$2 billion in loans and grants to the World Bank for use in developing countries.
- Dec. 29—The government agrees to increase military spending to more than 1 percent of the gross national product (GNP); the increase breaks a decade-long policy of limiting Japanese military spending to less than 1 percent of GNP.

KAMPUCHEA

(See also *Thailand*)

- Dec. 10—Government radio reports that Prime Minister Hun Sen has been relieved of the foreign ministry portfolio and the chairmanship of the Communist party's foreign affairs committee; the radio also reports that the ministers of defense and planning have been dismissed.

KENYA

(See *Japan*)

KOREA, NORTH

- Dec. 29—Parliament reelects Kim Il Sung President; a new Prime Minister and chief of planning are also named by Parliament.
- Dec. 30—Kim tells Parliament that he would like to hold political and military talks with South Korea on reunification.

KOREA, SOUTH

(See *U.S., Foreign Policy*)

LEBANON

- Dec. 5—Nabih Berri, the head of the Shiite Amal, says his militia will begin a cease-fire in the fighting with Palestinian guerrillas; the fighting, which began 2 months ago, has left at least 550 people dead.
- Dec. 6—The editor of *Al Shiraa*, the newsmagazine that broke the story on the secret U.S. arms sales to Iran, says that he was given the information by the office of Iran's Ayatollah Hussein Ali Montazeri, the chosen successor to Ayatollah Ruhollah Khomeini.
- Dec. 11—Israeli jets bomb suspected radical Palestinian guerrilla bases near Tripoli; 6 people are killed and 20 are wounded.
- Dec. 24—Aurel Cornéa, a French television soundman held hostage for almost 10 months, is released by the Revolutionary Justice Organization, a pro-Iranian Shiite group; the group says the release was a Christmas gesture.

LIBYA

(See *Chad*)

MEXICO

- Dec. 10—Government officials report that Grupo Industrial Alfa S.A., Mexico's largest private conglomerate, will give a majority share in the conglomerate to 60 foreign banks; the banks will in turn forgive \$920 million in debts owed by Grupo Alfa.

MOZAMBIQUE

- Dec. 4—President Joaquim Chissano accuses South Africa of violating the nonaggression pact between Mozambique and South Africa; he says South Africa continues to support the guerrilla Mozambique National Resistance.

NICARAGUA

(See also *Honduras; U.S., Foreign Policy, Political Scandal*)

- Dec. 8—The government says that Honduran fighter jets bombed 2 Nicaraguan villages today; 7 soldiers have been killed.
- Dec. 15—Foreign Minister Miguel d'Escoto Brockmann says that an American calling himself a "counterterrorist" was arrested on December 12 after entering a military air base.
- Dec. 17—Eugene Hasenfus, an American convicted of aiding the contras, is given a presidential pardon and allowed to return to the U.S.
- Dec. 31—President Daniel Ortega Saavedra says that 1,019 government soldiers were killed in fighting with the contras in 1986; he says about 4,000 contras were killed.

PAKISTAN

- Dec. 7—Opposition leaders demand the holding of parliamentary elections in the next 6 months; President Mohammed Zia ul-Haq has said that the next elections will be held in 1990.
- Dec. 14—In Karachi, at least 54 people are killed in fighting

between the Pathan and Mohajir ethnic groups; Pathans reportedly began the fighting when they attacked a Mohajir section of the city.

Dec. 15—Ethnic rioting continues in Karachi; 70 people are reported killed.

Dec. 20—Prime Minister Mohammad Khan Junejo's Cabinet resigns because of the rioting.

PHILIPPINES

Dec. 5—The government says that it believes Muslim separatist guerrillas staged the ambush yesterday on Mindanao that killed 11 civilians and wounded 5; the Muslim guerrillas are not taking part in the cease-fire agreement between the government and the Communist guerrillas.

Dec. 10—A cease-fire agreed to last month between the government and the guerrilla New People's Army begins.

POLAND

Dec. 6—General Wojciech Jaruzelski, the head of state, signs an agreement with a Roman Catholic group to create a Consultative Council; the council will act as an advisory group to the Council of State.

SOUTH AFRICA

(See also *Mozambique*)

Dec. 8—The government admits that it is holding children between the ages of 11 and 15 under an emergency decree allowing detention without trial; about 22,000 people are being held under the decree.

Dec. 9—A reporter for the *Los Angeles Times* is ordered to leave the country by December 31.

Dec. 11—The government issues 24 pages of new regulations imposing almost total censorship on reports of black rebellion in South Africa; the government also decrees new regulations prohibiting consumer boycotts and protests against the draft.

Dec. 31—President P. W. Botha announces that general elections will be held in 1987, 2 years earlier than required.

SOUTHERN YEMEN

Dec. 6—The government of President Haider Abu Bakr al-Attas reports that 4,230 members of the ruling Marxist party were killed in fighting between rival Marxist factions in January, 1986.

SRI LANKA

Dec. 27—Government and Tamil guerrilla officials hold talks on ending the guerrilla campaign for a Tamil homeland.

SWITZERLAND

(See *U.S., Political Scandal*)

TAIWAN

Dec. 7—Results from yesterday's legislative elections show that the opposition Democratic Progressive party won 23 percent of the vote; the 4 candidates with the largest number of votes were members of the Democratic Progressive party.

THAILAND

Dec. 29—The government announces that it is closing the Khao I Dang refugee camp; the 26,000 Cambodian refugees living in the camp will lose their legal status as refugees and face possible deportation.

TRINIDAD AND TOBAGO

Dec. 16—Preliminary results from yesterday's elections show that the opposition National Alliance for Reconstruction has won 33 of the 36 seats in the House of Representatives;

A. N. R. Robinson, the head of the party, will become the next Prime Minister, replacing George Chambers of the defeated People's National Movement.

TURKEY

(See *U.S., Foreign Policy*)

U.S.S.R.

(See also *Intl, Arms Control; U.S., Foreign Policy*)

Dec. 5—The government says that it will adhere to the 1st and 2d strategic arms limitation treaties (SALT 1 and SALT 2); on November 28 the U.S. breached the limits of SALT 2.

Dec. 9—Anatoly Marchenko, a Soviet dissident, is reported to have died in a prison in Cristopol; Marchenko was serving a 10-year sentence for "anti-Soviet agitation."

Dec. 11—Najibullah, the Afghan head of state, arrives in Moscow for a state visit.

Dec. 16—Dinmukhamed Akhmedovich Kunayev, the head of the Communist party in Kazakh Republic, is removed as Kazakh party head and loses his seat on the Politburo; Gennadi Kolbin, an ethnic Russian, replaces Kunayev.

Dec. 18—The government press agency Tass announces that the Soviet Union will resume the testing of nuclear weapons as soon as the U.S. tests a nuclear weapon; the Soviet Union has observed a unilateral moratorium on testing since August, 1985.

Anti-Russian rioting is reported in Kazakhstan; the rioters are protesting Kunayev's removal.

Dec. 19—Deputy Foreign Minister Vladimir Petrovsky announces that Nobel Peace Prize winner and Soviet dissident Andrei Sakharov is being released from internal exile in Gorky and is free to return to Moscow. Yelena Bonner, a human rights activist and Sakharov's wife, is pardoned and can also leave Gorky.

Dec. 29—Tass reports that Health Minister Sergei Burenkov has retired.

Dec. 30—The government rejects an American proposal that General Secretary Mikhail Gorbachev and President Reagan exchange New Year's messages on television.

UNITED STATES

Administration

Dec. 1—The National Archives opens to the public 40 million pages of White House documents from President Richard Nixon's presidency; documents of the Watergate investigation are not made available at this time.

Dec. 4—White House spokesman Larry Speakes announces that he will resign on February 1, 1987, to take an executive position with Merrill Lynch and Company.

Dec. 11—The Securities and Exchange Commission (SEC) discloses that arbitrageur Ivan Boesky was permitted to pay out \$1.4 billion in debts while he was negotiating his insider trading settlement with the SEC.

Dec. 12—The Department of Energy announces that it is shutting down its Hanford nuclear reactor at Richland, Washington, for 6 months for safety renovations; the plant is the main producer of plutonium for the U.S. military.

Dec. 16—Surgeon General C. Everett Koop calls for smoke-free workplaces.

Dec. 17—White House spokesman Speakes says that President Ronald Reagan will undergo a "surgical procedure" on January 5, 1987, to relieve "discomfort" caused by an enlarged prostate gland.

Dec. 18—Central Intelligence Agency Director William Casey is operated on for removal of a malignant brain tumor; he is expected to recover.

Dec. 26—President and Nancy Reagan leave for a week-long vacation in California.

Dec. 30—The Environmental Protection Agency announces new restrictions on the herbicide cyanazine, which is used to control weeds in cornfields; the herbicide has been linked to birth defects.

Economy

Dec. 2—The Commerce Department reports that its index of leading economic indicators rose 0.6 percent in October.

The New York Stock Exchange's Dow Jones Industrial Average of 30 blue-chip stocks closes at a new record high of 1,955.57.

Dec. 5—The Labor Department reports that the nation's unemployment rate remained unchanged at 6.9 percent in November.

Dec. 8—Chairman of the President's Council of Economic Advisers Beryl Sprinkle predicts another year without depression and a 3.2 percent growth in the gross national product (GNP) for 1987; in August, the administration predicted a 4.2 percent growth in the GNP.

Dec. 12—The Labor Department reports that its producer price index rose 0.2 percent in November.

Dec. 16—The Commerce Department reports that the nation's foreign trade deficit in the 3d quarter of 1986 rose to \$36.28 billion.

Dec. 17—The Commerce Department reports that the nation's GNP grew at an annual rate of 2.8 percent in the 3d quarter of 1986.

Dec. 19—The New York Stock Exchange trades a record 244.7 million shares.

The Labor Department reports that its consumer price index rose 0.3 percent in November.

Dec. 30—The Commerce Department reports that its index of leading economic indicators rose 1.2 percent in November.

Dec. 31—The Commerce Department reports that the U.S. trade deficit in November was a record \$19.2 billion.

Foreign Policy

(See also *Intl, Arms Control, Iran-Iraq War, NATO; Colombia; Iran; Lebanon; Nicaragua; U.S.S.R.; U.S., Political Scandal*)

Dec. 1—State Department spokesman Charles Redman says that in thwarting opportunities for opposition political protest, South Korea has "violated freedom of speech" provisions in its constitution.

Dec. 5—Commerce Secretary Malcolm Baldrige announces that the U.S. will no longer bar imports of nickel from the Soviet Union.

Dec. 7—President Reagan authorizes the use of U.S. helicopters to ferry Honduran troops to within 25 miles of the Honduran-Nicaraguan border to repel a purported invasion of 1,000 Nicaraguan soldiers who allegedly crossed the border in pursuit of Nicaraguan contras.

Dec. 15—57 senators from both parties send President Reagan a letter asking him to remain within the limits of the 1979 strategic arms limitation treaty (SALT 2) agreement.

Vice President George Bush's office reports that his office knew of the downing in Nicaragua of the plane on which Eugene Hasenfus was a crew member before the downing was reported by the Nicaraguan government; the staff alerted the National Security Council.

Sam Hall, brother of Representative Tony Hall (D., Ohio) is arrested and charged with espionage in Nicaragua.

Dec. 16—The Defense Department announces an agreement for the U.S. to continue to use military bases in Turkey.

Dec. 17—Eugene Hasenfus is pardoned and released by Nicaragua.

Secretary of State George Shultz orders U.S. ambassadors not to bypass him unless "explicitly directed" to do so by President Reagan.

Dec. 18—The State Department reports that President Reagan

has ordered an emergency shipment of some \$15 million in military equipment to aid Chad against attacks by Libyan troops.

Ambassador to the Soviet Union Arthur Hartman announces that he will resign early in 1987.

President Reagan names Alton G. Keel as ambassador to the North Atlantic Treaty Organization (NATO).

Dec. 19—The White House announces that it will ask Congress for funds to develop the small, single-warhead Midgeman nuclear missile and to deploy the larger MX missile on mobile railroad cars.

Dec. 30—The Defense Department announces that 3,000 U.S. troops are beginning a 4-month joint exercise with Honduran troops in Honduras under a 1954 mutual assistance pact.

Dec. 31—American officials report no progress in formal talks between the U.S. and Iran on the return of \$500 million in Iranian assets frozen in the U.S.; the negotiations, which are being held in the Netherlands, are expected to continue at a later date.

Legislation

Dec. 8—James Wright (D., Tex.) is selected as speaker of the House.

Political Scandal

Dec. 1—President Reagan orders the National Security Council to refrain from diplomatic, military or intelligence operations while his special 3-man review board is investigating the Iran arms deal.

President Reagan denies "flat out" any knowledge prior to a briefing by Attorney General Edwin Meese 3d on November 24 of the manner in which funds from the Iranian arms deal were transferred to the Nicaraguan contras.

According to a CBS/*New York Times* news poll, the President's overall public approval rating has fallen 21 points to 46 percent; the majority of Americans do not believe the administration's explanations about money being transferred to the contras.

Dec. 2—President Reagan appoints former deputy director of the Central Intelligence Agency (CIA) Frank Carlucci as his national security adviser.

President Reagan announces that he has asked for the appointment of an independent prosecutor to investigate the Iran arms deal; he pledges to "cooperate fully" in the investigation.

Attorney General Meese says that "We think that we have a statutory basis to believe that a federal law may have been violated" in the transfer of funds to the contras. He says that the Justice Department is "proceeding to make application for a special counsel."

Dec. 3—Vice President Bush denies any knowledge of the Iran arms deal but admits that "clearly mistakes were made" and that "we gotta take our lumps and move ahead."

Former national security adviser John Poindexter appears before the Senate Intelligence Committee and invokes the Fifth Amendment to refuse to answer questions about the Iran arms deal.

Dec. 4—It is reported by *The New York Times* that former national security adviser Robert McFarlane told the Senate Intelligence Committee that President Reagan gave approval in advance to the sale by Israel of U.S. arms to Iran in August, 1985.

Attorney General Meese says he stands by his statement that President Reagan was only "generally informed" after the 1st Israeli shipment of arms to Iran in September, 1985.

Dec. 5—President Reagan says he will not call Congress into

special session to discuss the Iran arms deal, rejecting appeals from senior Republican officials.

A special audit committee of the State Department says that it cannot "verify how the money in the so-called humanitarian assistance" for the contras was spent.

Dec. 6—It is reported that the State Department made a request to Brunei to contribute several million dollars to Swiss bank accounts run by Lieutenant Colonel Oliver North of the National Security Council to aid the Nicaraguan contras.

In a radio address, President Reagan says that his secret policy toward Iran was "flawed, and mistakes were made." He says he "regretted" the controversy and the concern it caused.

Dec. 8—In testimony before the House Foreign Affairs Committee, Secretary of State Shultz says, "I am, to put it mildly, shocked" to learn that Ambassador to Lebanon John Kelly bypassed the secretary of state in acting as a conduit of secret information about the Iran arms deal and the release of hostages. Shultz says he has summoned Kelly to Washington, D.C., for a complete report.

Robert McFarlane says he finds it inconceivable that funds for the Iran arms deal could have been diverted by North and Poindexter without a higher authority being aware of it.

Dec. 9—According to 3 administration officials, CIA director William Casey knew of the diversion of funds from the Iran arms deal to the Nicaraguan contras about a month before Meese uncovered the diversion and began an investigation.

Poindexter and former Major General Richard Secord invoke the Fifth Amendment before the House Foreign Affairs Committee.

A *New York Times*/CBS news poll shows that 47 percent of the American people believe President Reagan is lying about what he knew about the Iran arms deal and the diversion of funds to the Nicaraguan contras.

Dec. 10—CIA director William Casey testifies in a closed hearing before the House Foreign Affairs Committee.

Dec. 11—Administration officials claim that the CIA originally proposed keeping the Iran arms deal a secret from Congress.

Dec. 12—President Reagan says that he intends to press on with the "business of governing."

Dec. 13—Kelly says he was told by Poindexter that Shultz agreed to the plans to bypass the State Department in the secret talks and negotiations in the Iran arms deal.

Dec. 15—CIA director Casey suffers 2 "minor cerebral seizures" and will be unable to testify tomorrow before the Senate Intelligence Committee.

The White House and State Department confirm that since 1984 the U.S. has supplied intelligence data to Iraq, supposedly as a means of avoiding Iraq's defeat in the 6-year war with Iran.

The Swiss bank Credit Suisse freezes 2 bank accounts thought to have been controlled by North.

Dec. 16—President Reagan, saying that "there is an urgent need for full disclosure. . .," urges the Senate Intelligence Committee to grant limited immunity to North and Poindexter to compel their testimony without their resort to Fifth Amendment protection.

The Senate names Daniel Inouye (D., Hawaii) to head the 11-member Senate panel that will investigate the Iran arms deal and the diversion of funds.

White House chief of staff Donald Regan testifies under oath before the Senate Intelligence Committee and says that President Reagan received poor and inadequate advice from aides and other supporters of the Iran arms deal.

Special prosecutor Whitney North Seymour Jr., inves-

tigating Michael Deaver's lobbying activities, makes a motion in U.S. appeals court saying that people associated with the former White House aide "may have obstructed justice, given false testimony, or made false statements."

Dec. 17—Appearing before the Senate Intelligence Committee, Attorney General Meese says he has no further information beyond his original report on the diversion of funds to the contras.

The House appoints a 15-member committee, chaired by Lee Hamilton (D., Ind.), to investigate the Iran arms deal. House leaders reject President Reagan's request for immunity for North and Poindexter at this time.

Dec. 18—The Justice Department reports that in October Poindexter asked Meese to delay an inquiry into private-sector schemes for aiding the contras.

Dec. 19—A 3-judge panel chooses former U.S. district court judge and American Bar Association president Laurence E. Walsh as independent counsel in the Iran arms deal investigation, with broader powers than those requested by Meese.

Vice President Bush suggests but does not directly ask that North and Poindexter waive their Fifth Amendment rights and "make a great sacrifice. . . to tell us the truth" about their parts in the Iran arms deal.

Dec. 22—White House spokesman Speakes says that President Reagan has considered and rejected possible pardons for North and Poindexter.

Dec. 25—Ambassador to Costa Rica Lewis Tombs is reported to have gained permission for and overseen construction of a secret airbase in Costa Rica for use of the Nicaraguan contras.

Dec. 26—The White House announces that President Reagan has appointed U.S. Ambassador to NATO David Abshire to head a special task force to coordinate "responses to Congress and other requests for information in a timely manner" about the Iran arms deal.

Science and Space

Dec. 23—The experimental airplane *Voyager* lands at Edwards Air Force Base, California, after successfully completing a 25,012-mile circuit of the world without refueling; the trip took slightly over 9 days.

Supreme Court

Dec. 10—Citing "freedom of association," the Supreme Court rules 5 to 4 against a Connecticut law that limits voting in primaries to people previously enrolled in the party; this will permit independent voters to vote in a primary provided the party permits it; some 36 other states have similar restrictive laws, which now become open to question.

URUGUAY

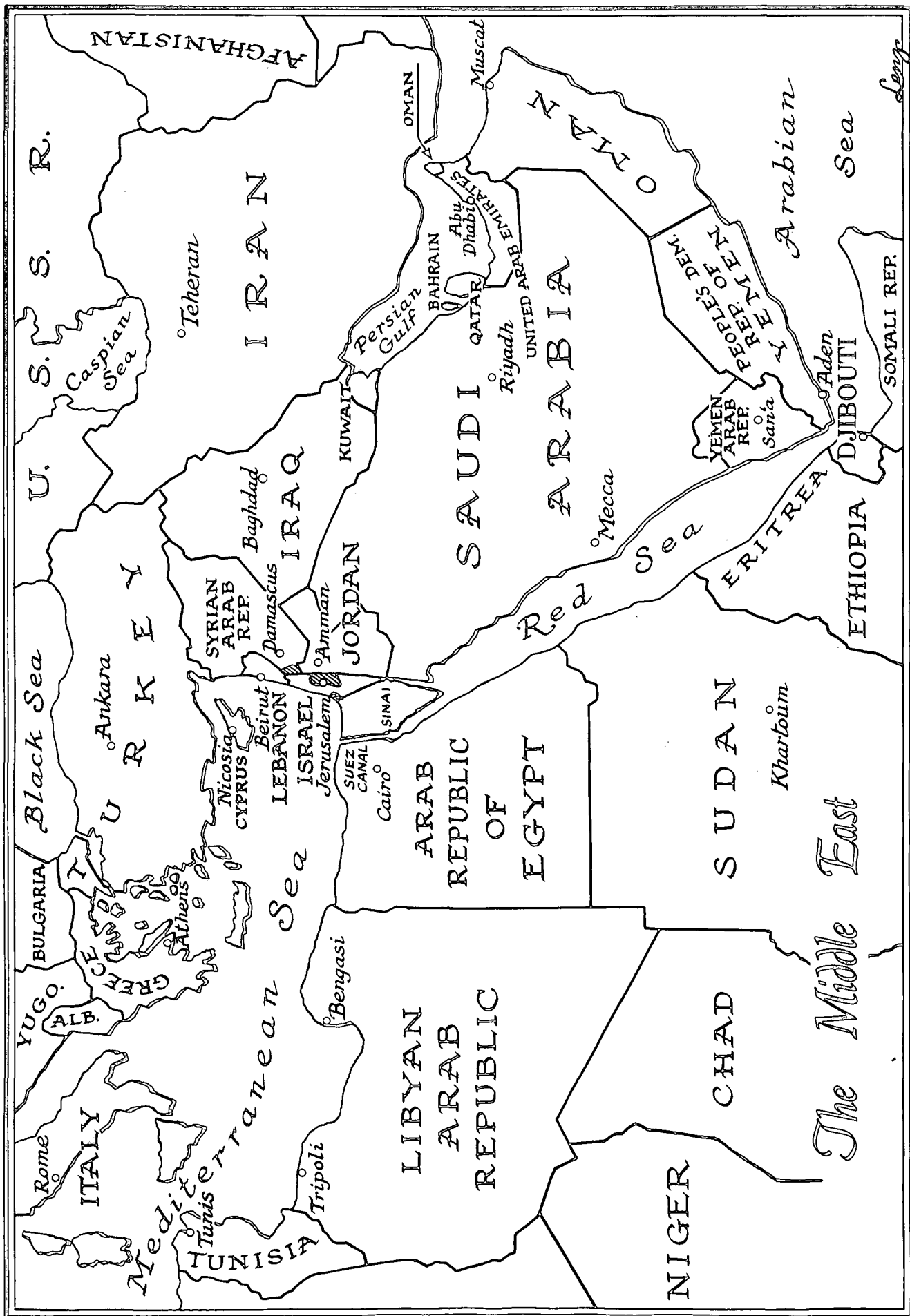
Dec. 22—The House of Deputies overwhelmingly approves an amnesty for military personnel who committed human rights abuses during military rule; President Julio Sanguinetti signs the amnesty bill.

VIETNAM

Dec. 16—A Foreign Ministry official says that China has rejected Vietnamese attempts to normalize relations.

Dec. 17—On the 3d day of the 6th Communist party congress, Prime Minister Pham Van Dong, General Secretary Truong Chinh, and Politburo member Le Duc Tho resign for "old age and health reasons."

Dec. 18—Nguyen Van Linh is named Secretary General during the closing session of the party congress; the Prime Minister's position remains vacant. ■



Current History

SPECIAL DISCOUNTS FOR BULK PURCHASE

Save One Third!

Current History is now offering special discounts for orders of 10 or more copies of the same issue, and for 10 or more subscriptions mailed to the same address.

Academic Year 1986-1987

- ☐ China, 1986 (9/86)
- ☐ The Soviet Union, 1986 (10/86)
- ☐ West Europe (11/86)
- ☐ Central America in Turmoil (12/86)

- ☐ South America, 1987 (1/87)
- ☐ The Middle East, 1987 (2/87)
- ☐ Mexico (3/87)
- ☐ Southeast Asia (4/87)
- ☐ Africa, 1987 (5/87)

Still Available

- ☐ Africa, 1986 (5/86)
- ☐ The Western Pacific (4/86)
- ☐ India and South Asia (3/86)
- ☐ The Middle East, 1986 (2/86)
- ☐ Central and South America, 1986 (1/86)
- ☐ Japan (12/85)
- ☐ East Europe (11/85)
- ☐ The Soviet Union, 1985 (10/85)
- ☐ China, 1985 (9/85)

- ☐ North Africa (5/85)
- ☐ Africa South of the Sahara (4/85)
- ☐ Southeast Asia (12/84)
- ☐ The Soviet Union, 1984 (10/84)
- ☐ China, 1984 (9/84)
- ☐ Canada (5/84)
- ☐ West Europe (4/84)
- ☐ Africa South of the Sahara (3/84)
- ☐ Latin America, 1984 (2/84)

Quantity Discount Price: 10 or more copies of the same issue, \$2.50 per copy—savings of 37 percent (single copy price, \$3.95).
Copies more than two years old: \$4.75 per copy.

Quantity Subscription Price: 10 or more subscriptions mailed to the same address: \$22.50 per 1-year subscription.

One-year subscription: \$27.00 **Two-year subscription:** \$53.00 **Three-year subscription:** \$79.00

CURRENT HISTORY BINDER

A sturdy, hardcover binder at a reasonable cost will protect *Current History* for permanent reference. The easy-to-use binder holds a year of *Current History* securely in place over flexible steel rods.

CURRENT HISTORY • 4225 Main Street • Philadelphia, Pa. 19127

- ☐ 1 year US\$27.00
- ☐ 2 years US\$53.00
- ☐ 3 years US\$79.00
- ☐ Please send me the issues I have indicated in the quantities I have marked.

- ☐ Current History Binders at US\$7.95

Name

Address

City

State

Zip Code

- ☐ Check enclosed. ☐ Bill me. Add US\$3.00 per year for Canada; US\$3.00 per year for foreign.

All these offers are good only on new orders mailed directly to the publisher.

Specific issue price and bulk subscription prices are based on a single mailing address for all issues ordered.

1 C 116 R 1287
 AMBASSADOR COLLEGE LIBRY
 300 W GREEN ST
 PASADENA CA 91129
 #####